

Congressman Paul Ryan's
interview on September 27, 2011
This is an unedited transcript of the interview

Peter Robinson: I am Peter Robinson. By the way, be sure to join us on Facebook at [Facebook.com/uncknowledge](https://www.facebook.com/uncknowledge). Chairman of the House Budget Committee, Congressman Paul Ryan, a Republican has represented the First District of Wisconsin since 1999. A native of Jamesville, Wisconsin, Congressman Ryan is a graduate of the University of Miami at Oxford Ohio and is notable in my own view for two particular attainments. In college he worked for Oscar Mayer as a driver of the Weiner Mobile and this past April he presented the Past to Prosperity also known as the Ryan Budget or the Ryan Proposal which is in my judgment again the most comprehensive, conservative proposal for reform of the Federal Government since the Contract with America a generation ago. Now Congressman Ryan is in California to talk about one aspect of his reform proposal, healthcare. Congressman Ryan, welcome to California.

Congressman Ryan: Great to be here, thanks for having me Peter.

Peter Robinson: Segment One – Paul Ryan on Barack Obama. On February twenty-fifth, President Obama held a Healthcare Summit at Blair House across the street from the White House. You spoke up. Just a moment. “We don’t think the government should be in control of all of this. We want people to be in control. And then at the end of the day is the big difference. And we’ve offered lots of ideas all last year, all this year because we agree that the status quo is unsustainable, it’s got to get fixed. Its bankrupting families; its bankrupting our government; it is hurting families with pre-existing conditions. We all want to fix this, but we don’t think that this is the answer to the solution and all of the analysis we get proves that point. Now I’ll just simply say this and I respectfully disagree with the Vice President about what American people are or are not saying or whether we’re qualified to speak on their behalf. So we are all representatives of the American people. We all do town hall meetings; we all talk to our constituents and I’ve got to tell you the American people are engaged. And if you think they want a government takeover of healthcare I would respectfully submit you’re not listening to them.” We’ll come to healthcare, but here is the first question. Where do you come from? Where do you get off talking back to the President of the United States? Nobody, nobody would describe you as arrogant, but you sure are sure of yourself. Where does it come from?

Congressman Ryan: Well I am a Conservative. My thing is I am not trying to be somebody other than who I am. So I am not trying to fake it, I am just who I am. And it was very clear to me at that moment in that room, we were there for six or seven hours, that what they were trying to do was sort of muddle the differences, sort of haze the moment and make it as if we just have subtle differences. That was not the case. We had sharp differences between our approaches to government-healthcare in particular and I just wanted to basically enunciate that. Obviously I do not think the President enjoyed listening to what I was saying.

Peter Robinson: He does not look pretty...

Congressman Ryan: The camera cut to the right.

Peter Robinson: He did not look happy.

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Congressman Ryan: So he did not enjoy that, but look, this is co-equal branches of government. He is not the king, he is the President, he is elected just like the rest of us. So I just from an institutional, Constitutional standpoint, I do not worry or fear that someone is higher, we are all representatives of the people, we are co-equal branches of the government. So I just want to pass on to him what people are telling me that I represent.

Peter Robinson: Okay. You said in the clip that we just saw, I am quoting you "we agree that the status quo" talking about the status quo on healthcare "is unsustainable." The United States spends 17% of its GDP on healthcare. The next nearest country, Switzerland, spends 11%.

Congressman Ryan: Right.

Peter Robinson: Not even close to us, the next nearest country and costs are rising faster than inflation. So, President Obama says here is Obamacare, everybody gets health insurance, we are going to cover everybody and we will put in some regulation to hold down the costs. What is wrong with that?

Congressman Ryan: He could learn from the Swiss actually. They have a private system. What he wants to do is erect a government run system. Rather than going straight toward a single payer system which is what he has always acknowledge he was for.

Peter Robinson: Single payer would be the government?

Congressman Ryan: A Socialized medicine system right, a government run system. This is sort of a two step approach to it. So at the end of the day what you are going to get out of this kind of a system are basically I do not know, five or six really large insurance companies who are sort of like public utilities. Who are defacto run by the government, with different shades of the same color of insurance and that just does not work. So it is sort of a fatal conceive which is we have seen these ideas practiced around the country, it is this notion and it is sort of the heart of Progressivism which is we in Congress will pass a vague law and then we will delegate all the power and the authority to these bureaucrats in the Federal Government who will micromanage these affairs of our lives: healthcare. It does not work, that is where the President's law takes us and I for one would like to prevent this from happening versus watch this get rolled into law and see the system collapse. I have no doubt in my mind that this will collapse quality and the cost of our healthcare system. And so I would rather prevent that from happening versus trying to clean up the mess after all the collateral damage has occurred.

Peter Robinson: You do not want to pick and chose Obamacare, you want repeal.

Congressman Ryan: Absolutely. Because the fundamental architecture is hallow, it is wrong, it is based upon a faulty premise.

Peter Robinson: Have you seen this, we are recording this in late September, have you seen the current issue of *The Weekly Standard*?

Congressman Ryan: No I have not.

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Peter Robinson: James Caprell.

Congressman Ryan: Oh Caprell, I know Jim real well.

Peter Robinson: He probably sent you an advance copy of it.

Congressman Ryan: I did see that article.

Peter Robinson: Okay.

Congressman Ryan: I have read the article. He and I talk quite a bit and we are so very like minded on this issue.

Peter Robinson: All right for all I know you ghosted this for him. I do not know. There is an editorial saying in effect as we move in to the Presidential season, the big election year of 2012; Obamacare has fallen off the radar. Republicans have this notional position that they ought to repeal it but only Ryan is out there saying anything about it. So he says, I am quoting now from the lead editorial in *The Weekly Standard* "The House should right away begin "bringing up repeal provisions one by one begin with the individual mandate." What do you think?

Congressman Ryan: I think it is a great idea. I think we should probably; we have to wait until next year because we have, I will not get in to the minutia of scheduling in Congress, but this is clearly something we should be doing next year. But this election, this is going to be the most important election in our generation. I know it is a cliché, people keep saying this time is different, and healthcare is the center of it all. You cannot address this country's fiscal and economic problems unless you address healthcare. So the President has put down his marker, he has made his law and that law is going to dramatically transform America. Just like the President said he aspired to do, and so this is going to be a huge issue next year. It is just a matter of time before this comes up. They now want to keep going with meta-scare which we have learned does not work and we can confront this and we can champion this and beat this. It is really a question of who do you want to be in charge of healthcare – you or the government bureaucrats? That is really the big difference at the end of the day.

Peter Robinson: Can I just briefly, when Obamacare was enacted in to law, you were then in the minority, you and minority leader Boehner and Eric Cantor held the Republican caucus together and it did not get a single vote. How hard was it to hold the Republicans together?

Congressman Ryan: It was hard because there was a lot of political pressure from the bully pulp and the President and from different constituencies to vote for this. It was basically people saying healthcare is a big problem just vote this even if you think it is fraud, vote for it.

Peter Robinson: Right.

Congressman Ryan: So it was difficult because a lot of members wanted to be seen as doing something. So we had to articulate alternatives; we had to articulate why this was so fundamentally

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flawed. When we dug into the guts of this law which is a massive new law, it was not that difficult to explain and demonstrate to the country and to our members that this is really a deeply flawed piece of legislation. So it was not at the end of the day all the difficult, but it took us a little while to get there.

Peter Robinson: All right. Segment Two – Fixing it. You are calling for three fundamental reforms. One for Medicare; one for Medicaid; one for working Americans. Let us just take each one in turn. Medicare, the system that covers all Americans 65 and over. Quoting from remarks that you are going to deliver here in California later today, you may ad lib for all I know, but this is the way it reads in the paper “In Medicare patient centered reform means premium support.” Give me both of those. What is patient centered reform and why does it require premium support?

Congressman Ryan: Patient centered means the patient is the nucleus of the healthcare system not the government, not the insurance bureaucrats. So with the patient centered that means all providers are competing against each other for the patients business – hospitals; doctors; insurance companies are forced in a competition with one another for the person's benefit. Wherever we have tried this dynamic in the free economy, it has worked very, very well to bring down costs and increase quality. And this has also worked this way well in healthcare in Medicare. The Part D benefit people complain about how Part D got assembled, which is the prescription drug portion involves patient centered. These are plans that are forced to compete against each other and people get to chose among competing plans.

Peter Robinson: And that has cost less?

Congressman Ryan: Forty-one percent less than projected and it is very high in satisfaction. Premium support means you will have a list of guaranteed coverage options offered to you through Medicare just like I as a member of Congress have as a Federal employee, just like Medicare Advantage works for 20% of seniors. The senior chooses among the list of these guaranteed coverage options and these plans compete against each other for their business. If the senior does not like her plan this year she can fire it and go to another plan next year and Medicare subsidizes the portion of her premium based on who she is. Is she sick or poor or middle income, she will get a lot more of a subsidy. If she is a healthy, wealthy person, she will not get as much of a subsidy. And doing it that way according to Clinton Commission, according to a lot of other Democrats, according to the actuaries at HHS, makes the program solvent and sustainable. So, this is an idea that has historically had bipartisan support among I guess I would say more moderate Democrats. It is an idea that we put in our past budget and it is a way of saving Medicare. The other part of it is you do not have to do this, put these kinds of reforms into the current generation. If you act now, you can prevent any change from a person 55 and above and so it applies to us for 54 and below and I would simply argue let us prevent a European austerity where we are cutting currency and raising taxes. Let us phase in reforms that are gradual, that have proven to work, that actually save the system and prevent the country from going off a debt cliff.

Peter Robinson: According to the Congressional Budget Office, 10 years after the enactment of your reform the Federal Government would be spending \$240 billion dollars less per year on Medicare than it would under current law. How do they know that? I understand, if you say to me, I

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want to make this more, I want to take Medicare and do everything I can to make it look more like a market.

Congressman Ryan: Right.

Peter Robinson: I say, great, everything I know about life and American history suggests that will help and save money.

Congressman Ryan: Here is how.

Peter Robinson: How do we know?

Congressman Ryan: Here is how, because it is going from a defined open ended defined benefit system to a defined contribution system. Because these are defined contributions they are quantifiable.

Peter Robinson: Okay.

Congressman Ryan: How many people are going in to Medicare; how much are the contributions. President Obama's law does the similar kind of thing, except he caps it globally and runs it from government. So President Obama is taking Medicare spending from here down to there. He is proposing a complicated formula and then he is giving a board of 15 unelected bureaucrats called the Independent Payment Advisory Board the power to price control Medicare to lower those costs to get those savings. So here is the difference, we are saying run the money through the individual based on their need so they have the power to decide how their healthcare will be delivered to them and you can chart those costs. The President is saying, cap those costs as well, cut Medicare from its current roll, but give the power to 15 unelected bureaucrats to decide who gets what, when, where and how. Very different approaches, both of them recognized that Medicare is growing at an unsustainable rate. We say let us do it through choice and competition revolving around the beneficiary, the patient. He says I want these 15 bureaucrats I am appointing next year to make all the decisions. So no one is suggesting Medicare can grow at the rate that it is growing at. That has a \$37 trillion liability.

Peter Robinson: Even President Obama.

Congressman Ryan: Even President Obama is suggesting that has to change. The difference is, he wants unelected bureaucrats to make the shots and we want patients to make their decisions.

Peter Robinson: Okay, back to *The Weekly Standard*. Is Uv Eleven a friend as well?

Congressman Ryan: Yeah.

Peter Robinson: Okay, good so again who knows, maybe you have already read this or for all I know.

Congressman Ryan: I read Capretti's, he sent it over.

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Peter Robinson: Okay, so Uv Eleven, in the current issue of *The Weekly Standard* your reform, it is attacked from the right. I imagine that is a novel experience.

Congressman Ryan: I have heard it all.

Peter Robinson: Have you heard it all?

Congressman Ryan: I have heard everything from everybody.

Peter Robinson: So here is Uv, he makes the point that under your reform proposal, it is still the government that is establishing the floor benefit.

Congressman Ryan: That is right.

Peter Robinson: Minimum benefit. Okay. And he says, I, Uv Eleven has a better idea. And I have to say as I read the article yesterday it did sound like a better idea. Forgive me but it did sound like a better idea.

Congressman Ryan: No, that is okay.

Peter Robinson: So the notion here is that Medicare, the government should define what it wants, the level of care that it wants as the minimum. Go out to each of the Medicare regions and invite bidding and then chose the second least expensive. Second most inexpensive so to speak. So on the defined contribution to the 65 year old, there is always in his or her region, one plan that is less expensive that enables them to put money in his pocket; one plan that just takes every dollar and provides perfectly adequate support; and then an array of plans for which he or she can...

Congressman Ryan: Well that is just improving upon our idea. Our idea does not preclude any of that.

Peter Robinson: It does not preclude it?

Congressman Ryan: No, not at all.

Peter Robinson: So you have no objection at all.

Congressman Ryan: No not at all. No our plan gives you the basic framework of how a premium support system would work; what it would cost. And then when you implement such a system, those are the kinds of details that you grapple with and how to design a very good functioning market based premium support system. Which is perfectly complimentary with ...

Peter Robinson: Okay you Uv Eleven mere details. Nice idea, we will discuss it later is that correct?

Congressman Ryan: Absolutely.

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Peter Robinson: Okay, fine. Segment Three – Fixing it continued. We discussed Medicare. We discussed Medicare. We just spent six minutes talking about this.

Congressman Ryan: That is more than I usually get.

Peter Robinson: Really?

Congressman Ryan: Oh yeah.

Peter Robinson: Okay, all right.

Congressman Ryan: I get 15 or 30 seconds so I appreciate the six minutes.

Peter Robinson: Okay. Medicaid, the program that provides health insurance to the poor. Again I am quoting from your prepared remarks “In Medicaid patient centered reform means block grants to State governments.” Why is that the big reform?

Congressman Ryan: Well first of all there is a Federalism component to this. States already manage Medicaid. The Federal Government pays for a portion of it through a complicated formula and so there is a State's Rights issue here number one. Why not let 50 different incubators of ideas come up with these things. Number two, what State's could do, Tom Coburn, Devin Nunes and Richard Burr have championed legislation in the past called the Patient's Choice Act which says let us just voucher out Medicaid so that people on Medicaid get additional assistance on top of refundable tax credits which is where we are probably going next in this conversation so that they too can get private health insurance like everybody else. We think that instead of having the government sort of top down say here is exactly how this program now will be run from Washington which right now it is not, it is run by our State's, gives State's the ability to manage and reform their programs. And one of the options I think if they could and I talked to many Governor's who want to do this, would be to stop segregating poor people in to inferior care. Where they go in to the doctor's office with sort of poor person's stand to the foreground, they are in Medicaid and more and more doctors will not even see Medicaid patients anymore because they lose money every time they see one of them. They get paid about sixty cents on the dollar. So this is a program that is breaking, it is ripping apart by its seams. The President's healthcare law has increased it by a third and that is going to hasten the collapse of the Medicaid system. So we really fundamentally believe that you let the Governor's come up with better ideas on how to fix these problems, lots of Governor's have been innovative on how to do this and one of the ideas that I think Governor's ought to consider is do not have them in some separate system that is just for low income individuals, mainline them in to the private health insurance system where they too can chose with additional resources private health insurance like everybody else. SO the next time they go to the doctors' office they are indistinguishable from anybody else.

Peter Robinson: Okay. As a Conservative, I get happy about this for what reasons? First of all because the Federal Government is just giving money to the State so there is Federalism, the State's do better and the Federal Government knows what it is spending, knows it cost.

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Congressman Ryan: So it caps costs. So we know exactly how much we will be spending in Medicaid because block grants are set at a fix formula.

Peter Robinson: Okay, but what about the argument, the compassionate Conservative, the argument that even as a Conservative President, George W. Bush felt compelled, I will let you add any clause on that that you want to, but felt compelled to enact No Child Left Behind legislation because when it came right down to it there were always going to be State's that did a bad job of educating.

Congressman Ryan: You see I just disagree with that.

Peter Robinson: Okay.

Congressman Ryan: So.

Peter Robinson: Let us hear it.

Congressman Ryan: Either we are going to have a sort of paternalistic approach from Washington that we know best. We are going to try to influence States rights or we are going to acknowledge State's rights as our Founder's did and we are going to cut the strings and send the dollars back to the State's where they came from in the first place and let the State's figure out how to fix the bumps. Look I come from Wisconsin, it is a little different than California which is different than Nevada, New Mexico, Colorado and Oklahoma and everybody else. So one size does not fit all, it is a little arrogant to assume that this program which is really a State run program right now, will be far better managed if we in Washington take it over. Think of the arrogance of that kind of a concept which is where I think the President's healthcare law goes.

Peter Robinson: Right.

Congressman Ryan: And so let the State's figure this out.

Peter Robinson: All right. Your third major reform again to quote from your prepared remarks "With regard to health insurance for working Americans, patient centered reform means replacing the inefficient tax treatment of employer provided healthcare with a portable refundable tax credit that you can take with you from job to job." Give me that in laymen's terms.

Congressman Ryan: Okay, so when we get healthcare from our job because of regulatory ruling going back to World War II, we do not pay taxes on that benefit. So our healthcare benefits are tax free but our wages are taxed. So what is happening these days is this I would argue is one of the primary drivers of inflation and healthcare because it is insulating us from the cost of our coverage, point number one. Point number two, if we let a worker decide between wages and benefits, they will make a better comparison as to what is in their best interest, if they are both taxed at the same level. Point number three, is we spend I think it is about, I am doing this off the top of my head, it is about \$3.5 trillion to spend, I should not say we spent, the government through this tax benefit is about \$3.5 trillion over the next 10 years. You can do a far better job of allowing people to keep this money in the first place so that it is not attached to the job, but attached to the worker. Because what

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happens if you lose your job; what happens if you decide to go out on your own and start a new business. This benefit is tied to your job. So it is job based benefits in Twenty First Century where you do not have the same job for the rest of your life. In a twentieth century when they put this in place, it may have made sense because you have one job for your entire career that is not how it works these days. So why not delink this tax benefit from the job and reattach it to the individual so they can move through society in a portable way without losing this benefit if they lose their job.

Peter Robinson: Okay, that sounds pretty good but you just said that all of these problems we have in healthcare arise from this effectively this mistake that we made, that the Federal Government made during the Second World War. And last night preparing for this program, guess what I discovered.

Congressman Ryan: What.

Peter Robinson: Milton Freedman wrote about this years ago.

Congressman Ryan: I know.

Peter Robinson: There are no new ideas only ideas Milton Freedman had that we have not enacted yet. But so it is the Second World War, the Government has imposed.

Congressman Ryan: Wage and Price Control.

Peter Robinson: Wage and Price Controls, abled body males...

Congressman Ryan: _____ [00:21:25]

Peter Robinson: Exactly so the company's are now fighting for labor and they begin providing healthcare as a fringe benefit. It becomes very, very popular. By the time the IRS realizes there is income being shoved out in the form of health benefits without being taxed, by now there is political support for this.

Congressman Ryan: That is right.

Peter Robinson: They cannot, all right. So the Federal Government screwed up.

Congressman Ryan: Exactly.

Peter Robinson: Seventy years ago.

Congressman Ryan: Yes.

Peter Robinson: So why don't you, listen, your saying that we face a major, why don't you just fix that.

Congressman Ryan: That is exactly what I am talking about.

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Peter Robinson: Milton Freedman, I have a quote here from Milton Freedman for you Congressman "The ideal way" ideal way "to reform healthcare would be to reverse past actions. Repeal the tax exemption of employer provided medical care and terminate Medicare and Medicaid." And your answer is, as the most articulate Conservative in Congress, that horse has left the barn.

Congressman Ryan: I am a big fan of Uncle Milty, but also I am a fan of Burke and others. I guess in a Burking Conservative way if we want to channel Conservatives here, that horse has left the barn, we are where we are, let us fix this system before it gets out of our control. If we do not address the root drivers of health inflation which is really the problem we have here, you will have a debt crisis in this country. Our government will grow to unsustainable, unprecedented levels and therefore it will have to tax or borrow at unprecedented levels and you will end prosperity as we have known it in this country. So what I mean when I say that is – this healthcare issue is a product of several flaws, unintended consequences, from government policy which has given rise in this third party payment system where you do not know what things costs because you do not pay for the bills and you do not care what they cost because someone else is paying for the bills.

Peter Robinson: Right.

Congressman Ryan: And so you need to reconnect the producer and the consumer, the provider and the patient in to relationships where there is a real shopping incentive. Instead of having 15 bureaucrats at IPAB, twist the screws and the price controls to try and get at health inflation, why don't we empower bottom up consumer's revolution with three hundred million Americans going to their providers and demanding price and quality competition like we do in every other aspect of our economy. In order to get to that moment a patient centered system market driven you have to address these massive market imperfections that are provided by the government and that is exactly what I am talking about.

Peter Robinson: Okay and while we are conducting a séance I can tell you that Uncle Milty would approve because two or three years before he died I was in a meeting with him where people were suggesting reforms of this nature and he said – that would be very good. Still not ideal.

Congressman Ryan: I never met the guy.

Peter Robinson: So the question, you are making a judgment about what can be done given the reality of the situation.

Congressman Ryan: Where we are.

Peter Robinson: The political reality. Okay so here we go Segment Four – The Politics. Once again from your prepared remarks for later today "We can win these fights, the challenge will be to summon the courage to offer the nation a true choice of two futures on healthcare." All the American people have to do is understand what you are putting forward and they will support it.

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Congressman Ryan: I am not confident enough to say all we have to do is explain it and they will support it, but I am comfortable enough to say let us give them the choice. Look, here is the way I see it, we need to kick this thing upstairs to the American people. No 12 member super committee is going to solve all the country's problems by Thanksgiving, nor should they. This is one of the most precarious moments in our country because of the debt crisis we have, because of the fact that these programs are quickly becoming unstable and they are giving us an explosion of debt. We owe it to the country to say if you do not like the path that we are on today, which the President has accelerated us down toward I would say cradle to grave welfare state path which is a managed decline debt crisis laden path, we have a moral obligation if we do not like that path, to articulate very specific alternatives using our principles, the Founding Principles and showing what that will look like. So that the country can choose and then the country gets to decide what kind of country we want to be, and what kind of people we want to be for the Twenty First Century. Because the decisions we make in the next two or three years, it will totally determine the kind of America we are going to have for literally this century.

Peter Robinson: Okay, so here I am, I am not the Chairman of the House Budget Committee, maybe I am a member of your committee a junior member of your committee, or I am a political consultant thinking about running a Senatorial campaign in Pennsylvania or Ohio or I am advising a Presidential candidate. And what I need to decide is, what I need to figure out is is Ryan right in the middle, is he describing and articulating what we can actually act upon. Or is he and God bless him for this if this is the case, or is he way out there on the edge.

Congressman Ryan: Right.

Peter Robinson: And for my point of view, he is a probe, he is a test, we will see how the political all right. So let me give you a couple of date appoints. Ask this past May to name the Democrats top three issues in 2012, former Speaker, that former just makes it all tenable doesn't it? Former Speaker Nancy Pelosi replied and I quote "Medicare, Medicare and Medicare." Uv Eleven in this article in *The Weekly Standard* the current issue of *The Weekly Standard* writes and again I quote "Congressional Democrats and President Obama have minified Ryan's proposed reform." The more I read this stuff, the more you grin so we will get to your answer in a second. "And as an assault on seniors and seem intent on making the prospect of such an assault a center piece of the 2012 campaign strategy." And last point, not a single Republican Presidential candidate has endorsed your

Congressman Ryan: Huntsman endorsed it; Perry I have heard very, very encouraging things about it.

Peter Robinson: Well.

Congressman Ryan: I did not mean to cut you off.

Peter Robinson: No, no. We will carve out a little special; we will put up our little John Huntsman statue here. Michelle Bachman who is out there, even think she would be the first and she has been very careful to keep some distance between her colleague Paul Ryan and then his Medicare proposals. So where are you? Are you the cutting edge?

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Congressman Ryan: Forward to this debate we have to have this debate. Our job as we see it is to get this debate going, is to get the country talking about the big issues that will determine the future of this country.

Peter Robinson: When you say our you are talking about yourself, the House the Speaker.

Congressman Ryan: Those of us in the House. Republicans control one thing, the House of Representatives.

Peter Robinson: Got it okay.

Congressman Ryan: And so that is what I mean when I say that.

Peter Robinson: The House all right.

Congressman Ryan: Look, either we give the country a choice of two futures, or we just go down the path we are on. I feel we have a moral obligation whether this is going to work politically or not, it does not really matter, all I want to know is that I can look myself in the face in the mirror, look my kids in the eye to know that I did everything I can to stop this country from going off a cliff. And more importantly what I learned is this Medicare stuff does not work. So here is the key point, this is the last message of an intellectually bankrupt party or of a party that is more interested in clouding the issues and diffusing and disguising really what it is that they are trying to do or where they are taking the country. So all we have to do is do a better job of getting the facts and the truth out about what it is. What this demagoguery and this Medi-scare is basically intended to do, is sort of shoot the messenger. Win the debate by default; sort of nullify the notion that there is an actual alternative path for the country. And so what we will see in this kind of a debate is an attempt to sort of I guess demagogue, distort or deny through strong men arguments that there is actually a coherent alternative to the path that they have placed us on and I for one believe Americans are hungry for that. I think they want to see that type of leadership and they want to know if we reapply these Founding Principles which gave us the American idea in the first place, we can get this country back on track. Most American believe the country is way off on the wrong track and so I for one, look the District I represent went for Dukakis, Clinton, Gore and Obama. And I have been running on these ideas for years. So it is not as if a person cannot survive politically by putting these things out there.

Peter Robinson: Marker Ruby just got elected in Florida.

Congressman Ryan: Marker Ruby endorsing the road map which is the pre-cursor to all of this.

Peter Robinson: Right.

Congressman Ryan: People have put arms around it.

Peter Robinson: Right.

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Congressman Ryan: So.

Peter Robinson: Okay.

Congressman Ryan: People want to be talked to like adults, not like children and when they are I think they respond and what we have learned these last two Congressional elections, these two special elections in Nevada and New York is that if we had the courage of our convictions, if we defend our ideas, we will win the debate.

Peter Robinson: All right. So, whatever the politics Paul Ryan will not be cowed.

Congressman Ryan: Yeah I mean look we owe it to the country to give them a choice.

Peter Robinson: Paul Ryan on the floor of the House. [00:30:35 to 00:33:13] It is getting serious. Milton Freedman, Uncle Milty identified the problems, James Buchannan and others have done work on it and the problem runs as follows. It is very easy to describe. The benefits of Federal spending accrue to specific groups who therefore have an incentive to organize politically and agitate for more and more and more spending. Whereas the costs of Federal spending are diffused across the whole population so nobody has a counterbalance incentive to organize against more Federal spending. So I look at that tape and I am thrilled, this is just for somebody who started out in the Reagan White House to see somebody standing up all these years later and saying exact Ronal Reagan, as long as we are conducting the séance, here Ronald Reagan is somewhere smiling. But, you fix Medicare and you fix Medicaid if you are lucky and then five years later the Federal government has overspent yet again.

Congressman Ryan: Yeah.

Peter Robinson: And again, so where is the structural reform? What can be done to fix the underlying imbalance and incentives?

Congressman Ryan: This in a nutshell is our moral dilemma. This is pretty much and a lot of people have written about this. Mansion Oldson wrote about this.

Peter Robinson: Right, right.

Congressman Ryan: You read a lot about this from different perspectives that is it right there. And so we are reaching this tipping point in this country where we will have more takers than makers. Where we will have a majority of citizens more net and dependent upon the government for their livelihoods. There for those benefits and the maker society are shrinking pool and you have a very ugly situation on your hands. You have a stagnant economy; you have divisive society; you have a cultural decline; you have sort of a European austerity situation on your hands.

Peter Robinson: We turn in to Greece.

Congressman Ryan: We turn in to Greece. And do not think that this cannot happen here, it can. Each generation has an obligation to prevent that from happening if we want to stay true to our

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Founding. So, we are going in that direction so structural, what do you do, this is why we advocate for individual based ideas; for free market economics; for economic freedom; for free market democracy. That is why you have to deal with this healthcare issue the way we are talking about it. That is why we believe in fundamental tax reform. That is why we believe in devolving power back to the States. That is why we believe in fixing this Federal budget process to prevent the largest from continuing on and from putting an inherent incentive and bias in our system like those kinds of budget gimmicks which make it easy to tax and spend more money and borrow.

Peter Robinson: So your hope is generational.

Congressman Ryan: Yeah.

Peter Robinson: For seven decades Americans have been taught to rely on the Federal Government first for old age pensions; then for health; now for food stamps, on and on. And your hope is that by changing these program, not eliminating, not living up to Milton Freedman's ideal of wiping out seven decades of legislation.

Congressman Ryan: Correct.

Peter Robinson: But by changing them, you can begin instructing new generations in individual liberty.

Congressman Ryan: That is exactly right. So the way I describe is we want to have a safety net, to catch people who cannot help themselves. And to help people who are down on their luck get back on their feet. We do not want to turn the safety net in to a hammock that lulls people in lies of dependency and complacency. And so, the way our defined benefit government benefits are designed, number one they are demographically driven so they are going to explode in cost and therefore debt. But number two; they are more or less tooled in such a way as to keep people on the dog to keep people on dependency.

Peter Robinson: Right.

Congressman Ryan: And so if that is the agenda, which is if you are from the party of government, if you are a Progressive that believes the government needs to be much larger than it is, that the principle at the horizon you are shooting for is one of the quality of outcome, not a quality of opportunity then keep going down the path we are own. But if you believe in opportunity society with a safety net, where the governments roll is to protect our natural rights, and promote equal opportunity so you can make the most of your lives and be happy however you decide then you have to get back on this kind of a path.

Peter Robinson: You are not just in the business of cutting, cutting, cutting. You are in the business of creating opportunities for the development of character.

Congressman Ryan: Exactly.

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Peter Robinson: Segment Five our final segment – the Man from Jamesville. The Wisconsin first. George W. Bush carried the District with 53% of the vote in 2008; Barack Obama carried the District with not quite 52% of the vote, last time around. You know if a political scientist just had listened to you talk to this point he would say – Orange County or someplace Oklahoma or maybe this is the At Large Representative from Wyoming. That guy comes from a safe, conservative district. You do not, how do you do it?

Congressman Ryan: I do not say anything different at home than what I am saying to you right here. This is exactly who I am, that is the key. Do not try to be somebody you are not. And you know what if you do not get elected, you do not get elected, big deal. I mean if you want to be good at these jobs, you got to want to lose the job. And I get this all the time; I was at Stop and Go gassing up the other day.

Peter Robinson: At home?

Congressman Ryan: Yeah at home, live in Jamesville, I live on the block I grew up on.

Peter Robinson: Really?

Congressman Ryan: I came from a big Irish Catholic family, we all live in the same neighborhood. In my town I think John McCain got 33% or 35% of my hometown in Jamesville. It is not a Republican area, what people always, I had a guy come up to me and said you know what I do not always agree with everything you do, but I can tell you are trying and you are sincere and that is what matters to me. So what I believe is people want conviction in politicians. They want people who are not just giving them vague platitudes, they want somebody trying to tackle these problems because people just know in their guts, they do not know the specifics necessarily. They know that we are going off the rails. They know this country is in deep trouble and we beat John Kerry in 2008, which is most people could not relate to him in my area, he would come and say Lambert Field and it is kind of over with. But traditionally our area votes Democratic on top of the ticket. I think we are going to change that because I think people are more hungry for solutions and they know the direction we are heading in, it is just not the right direction.

Peter Robinson: Okay.

Congressman Ryan: And they want people who are standing up and doing something about it.

Peter Robinson: Two quotations. This will take a moment to set up and then I will just stand back and let you reflect on it. Two quotations, first you, again from your prepared remarks, last time you have to listen to this. “The urgent need to deal with the drivers of our debt will present us with an unavoidable time for choosing.” Well I like the phrase a time for choosing. Reagan’s 1964 speech you did that intentionally, you make it sound like a wonderful opportunity. Here is the second quotation Holman Jenkins in the *Wall Street Journal* last weekend, he is talking about Europe, he is saying the reform is going to happen, but it is going to happen slowly and be ugly.

Congressman Ryan: Ugly.

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Peter Robinson: Ugly. "Sadly a similar destiny probably lies ahead for the U.S. only after a series of panics, possibly quite destructive ones. Will politicians have leeway seriously to address the unsustainability of the current welfare state every move will be too little to ward off another crisis, another showdown and potentially decades of political strife and economic uncertainty." As we sit here the Senate just last night came up with some new cockamamie set of procedures to keep the government running until November. You have to go back to Washington to vote on it on Tuesday, all right so there is another showdown. So what is it going to be? If we win, the House and the Senate and the White House, let us just stipulate we win next year, can we just fix it?

Congressman Ryan: Yes.

Peter Robinson: Or is this country in for decades of struggle?

Congressman Ryan: This is exactly how I read Holman's, I never met Holman, I think I met him once, but I read his piece, this is exactly how I see it. This is why I just deeply believe we need to make this a referendum and let the country chose. That way if we win the election based upon these very specific ideas and principles we had the obligation and moral authority to enact these reforms to prevent that kind of austerity from the current.

Peter Robinson: We do not have to become Europe.

Congressman Ryan: We do not have to become Europe, but we will very soon. I talked to a lot of economists and fixed income people and all these things, they basically tell us we have two to five years, probably closer to two, but based upon the way things are going, before we have our own austerity plan, before we have our own debt crisis. And when you are the world's reserve currency this could be ugly. We will not have an elegant decline like say France. We would have a very choppy, volatile, ugly decline. And it is totally avoidable. It is completely preemptable. So the way I see it, is it is all about confidence and trajectory which is are we getting the trajectory of our debt and our deficits under control, so our economy can be free, so it can grow and prosper. Are we going to go back and implement those ideas that make us that opportunity society that upward mobility society and are we putting that plan in place. Are we confident that we are going to reach this trajectory we will be confident if we change the structure of government, the structure of these programs that are the drivers of these debts. That means we have to win in affirming election with a country gives us the authority and the obligation to do this. If we do not, if we go to this election with just a personality contest, muddling the differences, just beating each other up, then it is going to be ugly afterwards no matter who wins. And if we fail, then at least we tried. So that is the way I see it.

Peter Robinson: Okay, so 2012, matters, Paul Ryan. [00:42:48 to 00:43:27] Okay last night we put up on Facebook a notice that I would be interviewing you today and invited people to put up questions. I checked 34 minutes after we put up the notice, dozens of people had already put up comments and here you go. Steven Dellapanick "ask why he's so awesome" that is the good part "and why he's only sharing that awesomeness with his family in Southeastern Wisconsin." Chase Murphy I think it is "borderline you're responsible for a Republican who could clean Obama's clock to choose not to run". RJ Muller asking why he doesn't just cut the routine and team up with Chris Christie to win this thing. And I got an email from Paul Ray, Professor Paul Ray.

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Congressman Ryan: Yeah.

Peter Robinson: You know Paul and here is what Paul wanted me to read to you “What an opportunity we have been given and what will it mean if we waste it?” Congressman.

Congressman Ryan: No pressure. That clip basically is what I think, how I feel. It is not as if one person, we can do this and I do not feel like I have to be the vessel on top of the ticket in 2012 to do this. As far as I am concerned, from the House we have done a lot to frame this debate. We have done a lot to move this conversation to where it belongs and we can do more to do that. But just like I said there, you have to have it in your mind; in your heart; in your gut to so badly want to be President to run effectively for it and I just do not have that. So.

Peter Robinson: Maybe that is what qualifies you; you are the one sane man who is in a position, okay. Far be it from me, I have never run for dog catcher, I am not going to beat you up over that, but let me ask one more question about the Presidential field. I understand that whoever gets elected and let us hope one of these fellows does. Fellows and in Michelle Bachmann's case woman, you got to work with them. So I understand that maybe you are not going to want to close with this question quite the way that I might hope, but so let us just stipulate that. Do what you can with it. So, Rick Perry, Governor of Texas calls Social Security a ponzie scheme. And he is right; it is just as a matter of fact a ponzie scheme is a scheme under which you pay off earlier investors with the money of newer investors. And so Social Security pays off retirees with the money of the current working generation and as there are more and more retirees, and fewer and fewer in the working generation the scheme will blow up as ponzie schemes always do. And, so he just expresses a home truth about one piece of our collapsing welfare state. And Mitt Romney attacks him for it and says this is unwise you are scaring the American people, this is not what our candidate should be doing. And all the other Presidential candidates up on that stage look at their fingernails, glance down at their shoeshine, stare off innocently in to space and that is the level of discourse that we are receiving from our Presidential candidates right now. Mitch Daniels, Governor of Indiana, a good buddy of your said a couple of weeks ago, no Republican candidate is saying what needs to be said. Do you agree?

Congressman Ryan: I think they will. I think time will heal these problems and I think we have done a lot in the House to advance this debate.

Peter Robinson: Okay.

Congressman Ryan: Because they will not be able to run away from what we have already done and I am fine if people do not like the way we propose to solve the problem. Use these Conservative principles, apply them to the problem, come up with a different route of solving the problems that is great. I think that is going to have to happen and I think these candidates will get there. It is still in the relatively early stages of this race and I think they will end up getting there.

Peter Robinson: Okay last question. We have been talking about the challenges for this Republic, the wider decline of western civilization, last question. Can the Packers pull it off again?

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Congressman Ryan: Oh yeah absolutely.

Peter Robinson: You did not even let me ask that.

Congressman Ryan: I knew where you were going; I could see the gleam in your eye.

Peter Robinson: You could see it coming.

Congressman Ryan: We feel pretty good about it.

Peter Robinson: And it is Lambeau Field.

Congressman Ryan: Do not come to Wisconsin and say Lambert Field.

Peter Robinson: Okay. Congressman Paul Ryan, Chairman for now and apparently if you are intent on staying in the House, for some time to come of the House Budget Committee, thank you. I am Peter Robinson for Uncommon Knowledge, thanks for joining us. [00:47:47 – end]