

The Annotated Ryan Response by Dan Jacoby

Following is the text of Rep. Paul Ryan's official Republican response to President Obama's State of the Union speech, annotated with footnotes to demonstrate the lies and other misleading statements he made.

We need to take everything Republicans say cynically, because they have proven over the past couple of years that no lie is too heinous to spread. Many Republican House members still refuse to accept, at least publicly, that President Obama was born in Hawaii. Even Senator Chuck Grassley, then the ranking member of the Senate Finance committee, said that the president's healthcare insurance reform plan would create "death panels."

Then there is Michele Bachmann, who seems unable to open her mouth in public without putting her foot in it. I may do an annotated version of her ramble, if I can stomach it.

The best way to demonstrate just how horrifyingly hideous and hateful the Republicans have become may be to show how phony their own words are. So here is the Ryan response, annotated:

Good evening. I'm Congressman Paul Ryan from Janesville, Wisconsin — and Chairman here at the House Budget Committee.

President Obama just addressed a Congressional chamber filled with many new faces. One face we did not see tonight was that of our friend and colleague, Congresswoman Gabrielle Giffords of Arizona. We all miss Gabby and her cheerful spirit; and we are praying for her return to the House Chamber.

Earlier this month, President Obama spoke movingly at a memorial event for the six people who died on that violent morning in Tucson. Still, there are no words that can lift the sorrow that now engulfs the families and friends of the fallen.

What we can do is assure them that the nation is praying for them; that, in the words of the Psalmist, the Lord heals the broken-hearted and binds up their wounds; and that over time grace will replace grief.

As Gabby continues to make encouraging progress, we must keep her and the others in our thoughts as we attend to the work now before us.

Tonight, the President focused a lot of attention on our economy in general — and on our deficit and debt in particular.

He was right to do so, and some of his words were reassuring. As chairman of the House Budget Committee, I assure you that we want to work with the President to restrain federal spending.

In one of our first acts in the new majority, House Republicans voted to cut Congress's own budget.¹ And just today, the House voted to restore the spending discipline that Washington sorely needs.²

The reason is simple.

A few years ago, reducing spending was important. Today, it's imperative.³ Here's why.

We face a crushing burden of debt. The debt will soon eclipse our entire economy, and grow to catastrophic levels in the years ahead.⁴

On this current path, when my three children — who are now 6, 7, and 8 years old — are raising their own children, the federal government will double in size, and so will the taxes they pay.⁵

No economy can sustain such high levels of debt and taxation. The next generation will inherit a stagnant economy and a diminished country.⁶

¹ The vote to cut House budgets will reduce the staff size for members of the House. As a result, they will be less able to counter the claims made by lobbyists who write most legislation already.

² The House vote was on a resolution that, in part, said they wanted to roll back only a small percentage of total spending to 2008 levels, without any specifics on how this was to be done or what was to be cut.

³ As George Santayana wrote, "Those who cannot remember the past are condemned to repeat it."

The closest we have in recent history to our current economic crisis is the Great Depression. In that case, as President Hoover tried mightily to balance the budget things only got worse. After President Roosevelt began to turn things around, but before the problem was solved, he and the Congress tried to balance the budget — and the economy went back into depression.

Yes, we need to restore a structural balance to the budget and pay down the debt, eventually. But if we begin too soon and cut too deeply, we will replace our precarious recovery with an even deeper recession.

⁴ Actually, the deficit from fiscal year 2009 (which began almost four months before President Obama took office) to fiscal year 2010 shrank by 9%, and projections for fiscal year 2011 are for an even smaller deficit. There is no reason to believe, if the economy continues on its current track (and unless we cut stimulus spending too soon it will), and especially if the tax cuts for the wealthiest 2% are allowed finally to expire next year, that the deficit will become, at worst, a small problem in the decade ahead. This, combined with the need to maintain the economic recovery, means we need to approach spending cuts with extreme caution for the next couple of years.

⁵ That is assuming that inflation is not taken into account. At the rate we're going, however, and figuring in real (inflation-adjusted) dollars, government spending will be lower and tax rates will be almost exactly the same in a generation as they are now.

⁶ As we see from notes 4 and 5 above, debt levels will not be significantly higher, and neither will taxes. In addition, there are plenty of countries that are doing quite well with higher tax rates — most of Western Europe, for example.

Frankly, it's one of my greatest concerns as a parent — and I know many of you feel the same way.

Our debt is the product of acts by many presidents and many Congresses over many years. No one person or party is responsible for it.⁷

There is no doubt the President came into office facing a severe fiscal and economic situation.

Unfortunately, instead of restoring the fundamentals of economic growth, he engaged in a stimulus spending spree that not only failed to deliver on its promise to create jobs, but also plunged us even deeper into debt.⁸

The facts are clear: Since taking office, President Obama has signed into law spending increases of nearly 25 percent for domestic government agencies — an 84 percent increase when you include the failed stimulus.

All of this new government spending was sold as "investment." Yet after two years, the unemployment rate remains above 9% and government has added over \$3 trillion to our debt.⁹

Then the President and his party made matters even worse, by creating a new open-ended health care entitlement.¹⁰

⁷ Partially true but essentially false; the vast majority of the debt was run up under the last three Republican presidents, and especially the last one (George W. Bush) in concert with a fully Republican-controlled Congress. Ronald Reagan created the "borrow and spend" policies followed by Republicans for all this time with a Republican-controlled Senate and a Democratic leadership in the House that was willing to negotiate even as they cut spending from every budget that President Reagan sent them.

In between, the fiscal policies put into place during the first two years of the (Democratic) Clinton administration, with only Democratic votes in Congress, put us on the road to surpluses.

The Obama administration inherited the current deficits caused by George W. Bush's economic policies supported fully by Republicans in Congress, and they are only shrinking because of Democratic efforts.

⁸ The stimulus plan created or saved (mostly saved) millions of jobs, and actually shrank the deficit.

⁹ Ryan is getting repetitive. The unemployment rate was going up rapidly when President Obama took office; now it is going down. And while the total debt is rising, it is rising more slowly; the annual deficit is shrinking, not growing.

¹⁰ "Entitlement?" This is a plan that will allow over 30 million Americans to purchase (I repeat, "**purchase**") healthcare insurance by making that insurance affordable and by forcing insurance companies to stop letting people die by denying benefits on the (usually phony) excuse of "pre-existing conditions." How, exactly, is a method that lets people buy something an entitlement? The answer is that it is not.

What we already know about the President's health care law is this: Costs are going up, premiums are rising, and millions of people will lose the coverage they currently have. Job creation is being stifled by all of its taxes, penalties, mandates and fees.¹¹

Businesses and unions from around the country are asking the Obama Administration for waivers from the mandates. Washington should not be in the business of picking winners and losers.¹² The President mentioned the need for regulatory reform to ease the burden on American businesses. We agree — and we think his health care law would be a great place to start.

Last week, House Republicans voted for a full repeal of this law, as we pledged to do, and we will work to replace it with fiscally responsible, patient-centered reforms that actually reduce costs and expand coverage.¹³

Health care spending is driving the explosive growth of our debt. And the President's law is accelerating our country toward bankruptcy.¹⁴

Our debt is out of control.¹⁵ What was a fiscal challenge is now a fiscal crisis.

We cannot deny it; instead we must, as Americans, confront it responsibly.

And that is exactly what Republicans pledge to do.¹⁶

¹¹ Every claim in this paragraph is either wrong on the facts, or wrong in blaming the problem on the new healthcare insurance laws.

Job creation is not “being stifled,” but rather increased as small businesses can afford to hire more people as the cost of providing healthcare insurance shrinks. There isn’t one legitimate, nonpartisan analysis that shows that “millions of people will lose their coverage.” (See the CBO report referenced below in note 14.) Instead, tens of millions of people will get coverage they don’t currently have. Finally, any costs and premiums that “are rising” are doing so because we haven’t had the healthcare reform measure to put a cap on them.

¹² He’s right; this loophole needs to be closed, and quickly.

¹³ The repeal vote met all the standards set by Speaker (then minority leader) John Boehner for “chicken crap.” Meanwhile, every serious idea floated by Republicans keeps every major facet of the current law – in other words, they’re proposing to replace this law with another one that is essentially the same thing.

¹⁴ The healthcare insurance reform is fully paid for (and then some), will cut healthcare costs, and reduce the federal debt. According to the Congressional Budget Office (CBO), in the same report that Speaker John Boehner claims is his source for the phrase “job-killing,” people will be able to live better and work less, thus lowering not the number of jobs, but the unemployment rate. Rather than “accelerating our country toward bankruptcy,” it will accelerate our country toward renewed prosperity.

¹⁵ As noted earlier, our debt, which got out of control thanks to the policies of George W. Bush and the Republican-controlled Congress, is getting back under control, thanks to the stimulus and other economic recovery acts passed by a Democratic Congress and signed by President Obama.

¹⁶ We’ve heard that kind of pledge before, over and over, for 30 years, yet every time Republicans get a chance to prove their fiscal responsibility they make things worse.

Americans are skeptical of both political parties, and that skepticism is justified — especially when it comes to spending. So hold all of us accountable.¹⁷

—

In this very room, the House will produce, debate, and advance a budget. Last year — in an unprecedented failure — Congress chose not to pass, or even propose a budget.¹⁸ The spending spree continued unchecked.¹⁹

We owe you a better choice and a different vision.

Our forthcoming budget is our obligation to you — to show you how we intend to do things differently ... how we will cut spending to get the debt down... help create jobs and prosperity ... and reform government programs. If we act soon, and if we act responsibly, people in and near retirement will be protected.²⁰

These budget debates are not just about the programs of government; they're also about the purpose of government.

So I'd like to share with you the principles that guide us. They are anchored in the wisdom of the founders; in the spirit of the Declaration of Independence; and in the words of the American Constitution.

They have to do with the importance of limited government; and with the blessing of self-government.

We believe government's role is both vital and limited — to defend the nation from attack and provide for the common defense ... to secure our borders ... to protect innocent life ... to uphold our laws and Constitutional rights ... to ensure domestic tranquility and equal opportunity ... and to help provide a safety net for those who cannot provide for themselves.²¹

¹⁷ How about holding Republicans accountable for driving the economy off a cliff, and then, once President Obama and the Democrats put a net under it and were struggling mightily to brink it back up so we can move forward, all the Republicans want to do is cut the rope?

¹⁸ It isn't unprecedented, but Congress did fail, and failed miserably, when it came to passing a budget for fiscal year 2011.

¹⁹ What spending spree? The usual rise in spending that comes with a recession? Note again that the deficit is shrinking.

²⁰ Protected from what? People "in or near retirement" are not being threatened by anything right now. The Ryan plan to change Medicare and force retired people to use "vouchers" or "coupons" to find insurance on their own is the only threat to people who are "in or near retirement."

²¹ What about providing for the general welfare? This is a specific power granted to Congress in Article I, Section 8, clause 1 of the Constitution. Ryan mentions a "safety net," but his plans, and indeed all Republican plans, would rip that safety net to shreds.

We believe that the government has an important role to create the conditions that promote entrepreneurship, upward mobility, and individual responsibility.²²

We believe, as our founders did, that "the pursuit of happiness" depends upon individual liberty; and individual liberty requires limited government.²³

Limited government also means effective government. When government takes on too many tasks, it usually doesn't do any of them very well. It's no coincidence that trust in government is at an all-time low now that the size of government is at an all-time high.²⁴

The President and the Democratic Leadership have shown, by their actions, that they believe government needs to increase its size and its reach, its price tag and its power.

Whether sold as "stimulus" or repackaged as "investment," their actions show they want a federal government that controls too much; taxes too much; and spends too much in order to do too much.²⁵

And during the last two years, that is exactly what we have gotten — along with record deficits and debt — to the point where the President is now urging Congress to increase the debt limit.²⁶

We believe the days of business as usual must come to an end. We hold to a couple of simple convictions: Endless borrowing is not a strategy; spending cuts have to come first.

Our nation is approaching a tipping point.

²² Thanks to Republican policies, the rich are getting much richer while middle-class incomes have declined. In addition, upward mobility has been retarded.

²³ Actually, the Declaration of Independence, where we find the phrase "pursuit of happiness," says, "to secure these rights, governments are instituted among men." In other words, our founders charged government with securing the right to pursuit of happiness without limit.

We must also understand that the Constitution was designed not to create a more limited government, but to fashion a stronger central government. Republicans seem to have forgotten that fact (so have many Democrats).

²⁴ George W. Bush and the Republican-controlled Congress increased the size and scope of the federal government enormously (indefinite imprisonment without trial or access to legal counsel, warrantless wiretaps, hundreds of thousands of new government employees, etc.). Recent spending increases are merely the temporary result of the current economic crisis brought on by Republican fiscal policies.

²⁵ It is generally accepted that it was the Republican-controlled federal government's failure to do enough that caused the current economic crisis.

²⁶ George W. Bush pushed for, and received, five debt limit increases during his tenure.

We are at a moment, where if government's growth is left unchecked and unchallenged, America's best century will be considered our past century. This is a future in which we will transform our social safety net into a hammock, which lulls able-bodied people into lives of complacency and dependency.²⁷

Depending on bureaucracy to foster innovation, competitiveness, and wise consumer choices has never worked — and it won't work now.²⁸

We need to chart a new course.

Speaking candidly, as one citizen to another: We still have time ... but not much time. If we continue down our current path, we know what our future will be.

Just take a look at what's happening to Greece, Ireland, the United Kingdom and other nations in Europe.²⁹ They didn't act soon enough; and now their governments have been forced to impose painful austerity measures: large benefit cuts to seniors and huge tax increases on everybody.

Their day of reckoning has arrived. Ours is around the corner. That is why we must act now.

Some people will back away from this challenge. But I see this challenge as an opportunity to rebuild what Lincoln called the "central ideas" of the Republic.³⁰

²⁷ Again, what growth? The "permanent" growth that happened during the Bush-Republican years, or the temporary spending increases needed to deal with the economic crisis that Bush and the Republicans caused? Perhaps we should roll back the privatization of our military, our national security forces, our schools and our prisons, since that has contributed far more to deficits, bureaucracy and violations of civil rights than anything the Democrats have ever done.

²⁸ It only gave us the internet, the microwave, modern weather forecasting, efficient farming methods, GPS, HDTV — I could go on for days, but you get the idea.

²⁹ The Greek economic crisis was caused in large measure by the (conservative) government's failure to tell the truth about its economic situation, especially mounting budget deficits. As a result, when the truth came out (released by a socialist government that was willing to step up and fix the problem when the conservatives weren't) the shock caused a serious economic crisis.

The English and Irish economic crises were caused mostly the same way ours was, when their housing bubbles burst and the financial industry that supported those bubbles collapsed.

In other words, deregulation, derivatives and disguise caused the same problems in Europe and in the United States; lack of austerity in government spending had nothing to do with it.

³⁰ This is a reference to a speech made by Abraham Lincoln in December of 1856, in which he accused President-elect Buchanan of putting the equality of states (whatever that meant) ahead of the equality of people. Aside from being an interesting quote, it is not clear what Rep. Ryan means by it. Perhaps he is referring to the Tea Party efforts to repeal the 17th Amendment, which took the power of selecting U.S. Senators away from state legislatures and gave it to the people.

We believe a renewed commitment to limited government will unshackle our economy and create millions of new jobs and opportunities for all people, of every background, to succeed and prosper. Under this approach, the spirit of initiative — not political clout — determines who succeeds.³¹

Millions of families have fallen on hard times not because of our ideals of free enterprise — but because our leaders failed to live up to those ideals; because of poor decisions made in Washington and Wall Street that caused a financial crisis, squandered our savings, broke our trust, and crippled our economy.³²

—

Today, a similar kind of irresponsibility threatens not only our livelihoods but our way of life.

We need to reclaim our American system of limited government, low taxes, reasonable regulations, and sound money, which has blessed us with unprecedented prosperity. And it has done more to help the poor than any other economic system ever designed. That's the real secret to job creation — not borrowing and spending more money in Washington.³³

Limited government and free enterprise have helped make America the greatest nation on earth.

These are not easy times, but America is an exceptional nation. In all the chapters of human history, there has never been anything quite like America. The American story has been cherished, advanced, and defended over the centuries.

And it now falls to this generation to pass on to our children a nation that is stronger, more vibrant, more decent, and better than the one we inherited.³⁴

Thank you and good night.

³¹ Ryan ignores the fact that self-limitation by government, mostly during the Bush-43 administration, in which the government failed to regulate the home mortgage and financial industries and gave more power and “political clout” to K Street lobbyists, caused the financial disaster we are now dealing with. He also ignores the desperate need for proper regulations to ensure that this doesn’t happen again.

³² Finally, the truth! Of course, not the whole truth — he doesn’t mention that he was part of the crop of “leaders [who] failed to live up to those ideals (Ryan was first elected in 1998, so he was in the House for the whole thing).

³³ Perhaps Rep. Ryan should look into the history of the Panic of 1837, the Panic of 1873, the Panic of 1893, the Panic of 1907 and the Great Depression — all caused because limited government allowed the wealthiest to follow their greedy, destructive desires. He should also notice that massive deficit spending (by the standards of the time) helped pull America out of the Great Depression, and when that spending was attacked before the economy fully recovered we slid back into Depression.

He should also learn that jobs are not created by entrepreneurs, unless they are merely responding to an existing demand. Only demand can create jobs, and his policies will stifle demand.

³⁴ And clearly you don’t know how to do that.

Thus concludes the annotated Ryan response. As you can see from the notes, the speech was a shameful display of ignorance, ideology and insipid ideas. Unfortunately, this guy is the Chairman of the House Budget committee, and his fellow Republicans have given him unprecedented power to cut spending allocations in a purely undemocratic, and therefore un-American, move.

Rep. Ryan quoted Abraham Lincoln; I will close by quoting Bette Davis: Fasten your seat belts, it's going to be a bumpy night.

Copyright 2011, Dan Jacoby