
Jeffrey Sachs: Paul Ryan, American Values and Corporatocracy

My new book, *The Price of Civilization*, describes why America needs a «mixed economy,» one where a more effective federal government regulates business and invests alongside the business sector. In his [review](#) of my book, Congressman Paul Ryan, an avowed libertarian, describes my book as anti-American in its values. Ryan is wrong: my book describes how we can restore politics to the true mainstream of American values, rescuing democracy from the clutches of corporate power that Ryan champions in deeds if not in words.

Ryan claims I would replace «the ideals of individual liberty» with the beneficence of «an intrusive, unlimited government.» This is how Ryan sees my call for government to regulate banks, protect the environment from pollution, promote science, tax millionaires and billionaires, and limit the lobbying power of corporations. When one is on the far right of the political spectrum like most of the Republican Party today, even moderate policies look like «unlimited government.»

Ryan calls the mixed economy anti-American. History, however, shows otherwise. From the start of the republic, our Founding Fathers and our greatest presidents have championed an affirmative role of government in the economy. Ironically, Ryan turns to Thomas Jefferson for proof, imagining that Jefferson would support Ryan's libertarian views.

Ryan seems to be unaware that Jefferson vigorously opposed the untrammelled actions of commercial banks and corporations that Ryan champions. Jefferson famously wrote, «I sincerely believe, with you, that banking establishments are more dangerous than standing armies.» He declared the need

to «crush in its birth the aristocracy of our monied corporations which dare already to challenge our government to a trial of strength and bid defiance to the laws of our country.»

Ryan also overlooks several obvious facts of American history. From Jefferson to Abraham Lincoln to Teddy Roosevelt to Franklin Roosevelt to now, the federal government has played a vital role in public works (canals in the 19th century, highways in the mid-20th century, and someday a low-carbon energy system in the 21st century). From the founding days 'til now, government has championed public education, such as in 1862 when Abraham Lincoln signed the Morrill Act establishing America's great land-grant universities. From the founding days 'til now, the federal government has championed research, from Lewis and Clark's expedition under Jefferson to the mission to the moon under Kennedy, Johnson, and Nixon.

Ryan ignores the extensive evidence in the book showing that Americans support the values of a mixed economy, not of Ryan's free-market libertarianism. Americans today by large majorities support public education, Medicare, Social Security, help for the indigent, stronger regulation of the banks, and higher taxation of the rich. The problem is not with American values, I show, but with the failure of our government to translate American values into American policies.

Ryan deliberately ignores that part of my argument, which is core to the book, and vital to understanding Ryan himself and his role in American politics. On issue after issue, Washington is presently bucking the public's values, rather than respecting them. A majority of the public wants to preserve social pro-

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grams, but they are being cut anyway. A majority wants higher taxes on the rich, but they are being cut rather than raised. A majority wants to end the wars, but they continue anyway.

The reason is the following. America is losing its democracy as our politicians trade their votes for campaign contributions from the corporate lobbies. We have a corporatocracy rather than a democracy, and Ryan stands at the center of it. The *Wall Street Journal*, which commissioned Ryan's review of my book, is the leading print mouthpiece for the corporatocracy.

Since entering Congress in 1999, Ryan has helped to prevent effective oversight and regulation of the banking sector. As a member of the Banking and Financial Services Committee in 1999, he supported the repeal of Glass-Steagall regulations on behalf of Citibank and other wannabe financial giants, a move that set the stage for the financial crisis a few years later. He is an accomplice to America's financial collapse.

Ryan's re-elections have been consistently funded by the insurance, banking, and homebuilding industries. Banks such as the Bank of America and Citigroup, two of the largest bailout recipients, have been high on Ryan's contribution list; so too have major lobbying groups for the financial industry, such as the American Bankers Association and the Securities Industry & Financial Market Association.

America's corporatocracy is governed by vested interests rather than moral or economic principles. After financial deregulation led to the 2008 collapse, Ryan's enthusiasm for free enterprise suddenly took a second place to his new enthusiasm to rescue the banks through a giant taxpayer-funded bailout. The «free-market» *Wall Street Journal* similarly defended the bank bailout, all of a sudden lecturing its readers about market failures and the limits of the free market.

As soon as the banks were saved with public money, Ryan, the *Journal*, and most of the political class swung back to deregulation. Ryan voted against reforms of Wall Street. He inveighed against taxing or otherwise controlling the bonuses received by the CEOs and senior managers of the bailed-out banks. When it comes to the poor, however, Ryan has a different response: slash Medicaid spending, come what may.

Ryan attacks me for praising some European policies (another sign for Ryan of anti-American sentiments!). Yet as I emphasize in the book, Northern Europe isn't trapped in America's corrupt politics. Switzerland, Sweden, and Finland have overtaken the U.S. in global competitiveness. Northern Europe outpaces the U.S. in higher life expectancy, lower costs of quality health care (by relying less on private health care), and lower poverty rates. It's not anti-American to cite such facts. We can and should learn from successes abroad.

My views in *The Price of Civilization* run to the very idea of America: a democracy of the people, by the people, and for the people, not a government of the corporations, by the corporations and for the corporations. The American people agree. Americans disapprove of the Congress by an overwhelming majority. When Ryan re-reads my book more carefully, he will understand why.

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