

Opportunities For Change To Fix The Fiascoes Of '10

Posted 12/31/2010 05:31 PM ET



President Barack Obama delivers his State of the Union address on Capitol Hill in Washington, Wednesday, Jan. 27, 2010. AP [View Enlarged Image](#)

The year began with Democratic high hopes for a veto-proof majority in Congress and a Democrat in the White House. It ended with a bitter and sweeping defeat for Democrats as government "stimulus" failed to ignite the economy, Congress passed a raft of unneeded and unwanted legislation, and unemployment continued to rise.

With that backdrop, in November's midterm election Republicans took a stunning 63 seats in the House and whittled the Democrats' majority in the Senate to a mere three seats. Now, pushed by the same Tea Party activists who helped elect many of Congress' new members, resurgent Republicans must come up with an agenda different from the one that has already failed.

What should the Republicans — and those Democrats who genuinely seek workable reforms — do?

Ideas abound. We've come up with our own modest list of changes that we believe could be made right away to help restore economic and political health to our ailing republic.

- **ObamaCare.** The 2,700-page Protection and Affordable Care Act was rammed through Congress, the public hates it and two federal judges question its constitutionality. Beginning this month, Republicans will have a chance to follow through with a campaign promise and kill this program, which could cost taxpayers \$1 trillion or more over the next decade.

Today we spend nearly \$2.8 trillion yearly on medical care, roughly 18% of our GDP. Almost half of that is already spent by government. This trend must stop.

Because it holds neither the Senate nor the White House, the GOP can't repeal ObamaCare. But it can and should starve it of financing. By constitutional rules, money bills must start in the House, and that's where the Republicans have a majority. They should shut down Democrats' effort to take over private health care. The first step to eradicating ObamaCare is to defund it.

- Spending. Congress has, by constitutional right, the power of the purse strings. The new Congress must use this power to slash spending to the pre-meltdown, pre-stimulus levels of 2007. Federal spending today is over 25% of GDP — nearly a quarter above its historic average. The Democrat-led 111th Congress added \$3.2 trillion to the national debt, the most in history.

With an estimated \$10 trillion in debt expected over the next decade from current programs, and a wave of spending coming to take care of the tidal wave of baby boomers who'll be retiring at the rate of 10,000 a day the next couple of decades, government better stop spending now — or go bankrupt.

- Stimulus and taxes. Congress should end the ongoing \$800 billion in "stimulus" spending that has led only to rising unemployment and torpid economic growth. Hundreds of billions in unspent money should be taken back, used to retire debt or — miracle of miracles — returned to the taxpayers.

Ending stimulus isn't enough, however. A major reason for the current economic slowdown is business and entrepreneur uncertainty over taxes and regulations going forward. As down payment on a major reform of our dysfunctional and wasteful tax code down the road, Congress could take a first healthy step by making the Bush tax cuts permanent.

Today the top-earning 5% of taxpayers — having incomes over \$159,619 — earn 35% of the nation's income, but pay 60% of individual income taxes. This is unfair and inefficient, with estimates of as much as a \$150 billion reduction in GDP each year.

- Entitlement reform. Would the Obama administration and the Democrat-held Senate accept a personal accounts-based retirement system like the successful one in Chile? Unlikely.

The Republican House and the 47 GOP senators should nonetheless reintroduce the topic into the debate, even pass a bill in the House. They should also promote market improvements of Medicare. The public needs to understand why this is necessary — and why the Democrats' inevitable resistance puts our nation at risk.

The GOP must be careful, though, of accepting a "bipartisan compromise" that perpetuates the worst features of the current system. With a \$107 trillion deficit expected over the long term, the two entitlement programs must be overhauled. There's no choice.

- Federal Reserve. With congressional hearings to be held by Ron Paul, a Fed critic and new chairman of the House subcommittee that oversees the central bank, it'll be a tough year for Fed Chairman Ben Bernanke. Contrary to Paul's wishes, the Fed shouldn't be abolished. But it does need reform. Two episodes of quantitative easing since 2008 — in which an estimated \$1.7

trillion in new money was created — are two too many. The money they've pushed into the banking system risks a major upsurge in inflation.

Congress needs to refocus the Fed on what it does best: keep inflation under control and help oversee the commercial banks. Most important, any reforms must keep the central bank's political independence — which studies show is what makes a central bank most effective.

- Fannie Mae and Freddie Mac. One of the great disgraces of the 111th Congress was the passage of a financial overhaul bill that left the two main causes of our financial meltdown untouched. At one point, Fannie and Freddie controlled half the \$13 trillion U.S. mortgage market.

For years, Congress and presidents alike have used the two to subsidize cheap home loans to undeserving borrowers to garner votes and boost the U.S. homeownership rate. The two have already cost U.S. taxpayers \$135 billion, but may end up costing as much as \$700 billion, estimates show. Republicans can rectify this by holding new hearings, then privatizing them or shutting them down.

- Free speech. Our First Amendment rights are under attack. Professional agitator Al Sharpton and hard-left MSNBC host Ed Schultz have labeled conservative talk radio host Rush Limbaugh as "racist." Sharpton wants the Federal Communications Commission to ban Limbaugh from the "publicly regulated" airwaves.

Congress needs to step in and reaffirm every American's constitutional right to free speech. Just because radio stations are licensed by Washington doesn't mean the federal government has the authority to regulate speech on the radio. The Supreme Court held in the Citizens United case that political ads are free speech. Talk radio is just as much political speech as campaign ads are.

Congress should also ensure that the Fairness Doctrine never again is discussed as a policy alternative.

- TSA reform. The Transportation Security Agency is out of control. As agents make X-rated X-rays of passengers and grope their private parts, screeners continue to let guns, knives, explosives and bomb parts sift through the security line.

Meanwhile, Israel's El Al, considered the world's most secure airline, has a different strategy. Wisely disregarding political correctness, it uses ethnic profiling and asks passengers inconvenient questions. How about changing strategy here and considering the Israeli model? Our lawmakers need to have the courage to take the lead on making our skies safer and air travel less stressful.

- Net neutrality. The Federal Communications Commission, saying it wants to establish a free and open Internet, has voted to impose regulations on the Web. But far from freeing the Web and making it more wide open, net neutrality rules give Washington the power to determine how Internet service providers handle the traffic that flows over their infrastructure.

This is neither freedom nor neutrality by any definition. Regulating the Internet will cripple its development and strangle a key part of our economic growth. Congress has the right — and the duty — to step in and rescind the FCC's decision to overstep its authority.

- Afghanistan. The left says al-Qaida is gone from Afghanistan, so the U.S. should pack up and leave. But the formidable Taliban are plotting to return to power, with possible help from the Karzai government. Next door, in neighboring and nuclear-armed Pakistan, is Taliban ally al-Qaida's home base.

The new Congress should think outside Obama's box and question the artificial July 2011 deadline to begin withdrawing troops. We may need more troops in 2011 to win, with defeat possibly leading to an al-Qaida/Taliban dominance in the region. The Republican House can use resolutions and funding measures to challenge the president.

- Missile defense. Ronald Reagan's bold vision that U.S. scientists would "turn their great talents now to the cause of mankind and world peace, to give us the means of rendering these nuclear weapons impotent and obsolete" is in jeopardy.

In 2009, Obama scrapped the Bush Czech Republic/Poland missile defense plan to defend against Iran and Russia, replacing it with a dubious "European phased adaptive approach." A new Government Accountability Office report warns that Pentagon EPAA management is in a shambles.

Congressional Republicans should expose this sabotage of missile defense, enact and generously fund programs that will work, and demand that the president embrace the real thing.

- Iran. The tenacious, unchecked pursuit of nuclear weapons capability by Tehran's Islamofascist terror state, as a dithering free world responds with impotent economic sanctions, is the gravest threat humanity faces.

Congress could make a big difference by strongly condemning the Iranian nuclear program as serving the goals of terrorists, declaring the U.S. justified in launching military strikes against Iranian nuclear facilities. Congress could also give moral support — even allocate funds — to the anti-regime freedom fighters who are the real opposition in Iran. The operative precept should be: A nuclear Iran could mean a nuclear 9/11.

- New START. The U.S.-ratified arms treaty with Russia says both parties "have the right to withdraw" if "extraordinary events related to the subject matter of this treaty have jeopardized its supreme interests."

Congress can, as Ben Lerner of Big Peace suggests, exploit three "extraordinary events" already available: Iran's advanced missiles from North Korea; North Korea's newly revealed uranium facility (which former Los Alamos chief Siegfried Hecker of Stanford University toured in November); and Venezuela's placing of Iranian missiles on its soil.

START gives Moscow a veto on U.S. missile defense, abides a 10-to-1 Russian advantage on tactical nukes, lets Russia violate its 1,550 warhead ceiling and employs inadequate verification. A way out must be found.

- Immigration. With 20 million illegal immigrants, Congress must work to ensure that immigration is about rule of law, not ethnic grievance politics. Full funding for the border fence is a must to ensure that U.S. agents, not Mexican cartels, control the border. Congress must end the current White House policy of cherry-picking criminal cases, but ignoring others.

Also, legal immigration to the U.S. must be made speedier and less costly. Legal immigrants wait in long lines and pay an average \$6,000 to enter legally. One idea: an express lane for those with education and training who can fit into our economy right away.

- Free trade. Here's the no-brainer for Congress: Pass the three pending free trade pacts with South Korea, Colombia and Panama. The president says he's in favor of them, and the worst protectionists among Democrats who held him back were thrown out by voters. So the votes are there. The U.S. economy is in the doldrums. Free trade punches above its weight in boosting manufacturing and agriculture, and the three treaty countries are booming and want to buy.

The U.S. Chamber of Commerce sees nearly 600,000 well-paid jobs emerging from these pacts. Colombia, Panama and other countries already have duty-free trade with the U.S., so as tariffs drop, the big winners will be U.S. companies. Congress should kick this out the door as fast as it can.

- Regulatory reform. America has become the land of regulation. Each time Congress passes a new law, dozens of "enabling" regulations have to be written — by bureaucrats. Leaving the rules we all live by to be written by unelected bureaucrats is a profoundly undemocratic way of governing.

We'd like to see hearings held on the impact of regulations on the economy.

According to the Small Business Administration, red tape costs the economy \$1.75 trillion each year — more than the GDP of Canada and equal to all corporate profits. It also adds up to \$15,000 per household.

Federal regulations go on for 70,000 pages. Under Obama, regulatory bureaucrats are drawing more power. The EPA, FCC and FDA, to name just a few, are issuing sweeping new rules for us to live under. Enough.