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## Turning America Around

*Voters send Republicans to Congress with a mandate for a new direction.*

By PETE DU PONT

Barack Obama promised to change America, and he did. Federal spending has increased in two years to \$3.72 trillion from \$2.98 trillion, a 25% increase. The national debt has swelled to almost \$14 trillion from \$10 trillion in the same period, and the Office of Management and Budget estimates that it will reach \$26 trillion by 2020. ObamaCare is moving 17% of the U.S economy from individual choice to government management and direction. Protectionist policies have stopped trade agreements with several countries.

As Newsweek declared on its cover in February 2009, "We Are All Socialists Now." The magazine added: "America of 2009 is moving towards a modern European state," so that we "will become even more French" and there will be "more government taxing and spending" and "more government intrusion into the economy will almost surely limit growth."

The American people didn't like what they saw--didn't like the recession, didn't like the vast expansion of government, didn't like government control of much of our economy, didn't like the huge increases in government spending, the tax increases that were scheduled to take effect automatically on Jan. 1 or the huge federal debt, and didn't like America's decline in the world's opinion.

So on Nov. 2, the voters changed much of America's leadership. They increased the number of Republican senators by six and House members by 63, and let them all know they believed individuals and marketplaces were more important to opportunity than governmental economic control and regulation. More Republican state legislators were elected too, giving the party 3,941 of them, the greatest number since 1928.

So a new Congress with very different thinking will arrive next week. We have already seen substantial changes in the lame-duck session of the past few weeks. Its performance was remarkable. First, the Bush tax cuts were extended for all taxpayers. Second, Republicans stopped the budget-busting and earmark-filled omnibus spending bill that the Democrats wanted to pass as their last spending hurrah.

The same week, a federal judge in Virginia declared portions of ObamaCare unconstitutional. As The Wall Street Journal declared: "The single most important result of the November 2 election is the marginalization of the House Democratic left. . . . Paul Ryan has replaced Barney Frank as the most prominent House spokesman on economics."

When the Republican House comes into session there will be new rules, new procedures, and very new thinking about what the government should be doing.

There are many goals at the center of the new congressional thinking. One of them, averting a tax increase, has been achieved. But the need for reforming the tax code by making the current lower tax rates permanent, simpler and fairer, with fewer deductions and lower rates, would be an important next step. A flat tax is the best goal.

Three more goals are important. Obviously getting government spending under control is the first. As I pointed out in my September column, since the end of World War II, average annual government spending was 19.6% of gross domestic product, but it is now 24% to 25%. Rolling it back to the 19% to 20% range should be the Republican goal. Nondefense discretionary spending has risen 88% in the past three years. Rolling its increase back to the rate of inflation--3% or 4% a year-- is another Republican goal.

Second comes reducing the huge increases in government regulation. The election ensures that the Waxman-Markey "cap and trade" bill, which the House but not the Senate passed, won't become law. It would have regulated wages, corporations, states, cities, lights, houses, snowmobiles and on and on. Getting rid of government mandates and subsidies--minimum ethanol usage, prevailing wage requirements, the inability to purchase health insurance across state lines, farm subsidies, and green energy subsidies, for example--is the next step. America needs to return to the market choices that individuals should have.

The third goal is amending ObamaCare to get the government out of health-care regulation. Last Tuesday Health and Human Services Secretary Kathleen Sebelius issued a 136-page rule providing for price controls on health insurance, thus expanding federal regulation of an industry generally regulated by states. Starting in 2012 the government will set price thresholds for each state, and this is in an area where markets rather than government have been able to decide on consumer products. These new rules are just one example of the growing reach of the federal government that the new Congress must fight and limit.

These changes are the public policy goals for the new House of Representatives, but probably not of the Obama administration. So the battle that begins next week will be the most significant change in public policy discussions in several years. And we can be sure the new Republican House and Democratic Senate won't agree on much. House Republicans have their work cut out for them in 2011. Their New Year's resolution should be: "Let's get to it."