

21st Century Contract with America

“The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew, and act anew. We must disenthrall ourselves, and then we shall save our country.”

-Abraham Lincoln, 1862 Message to Congress

1. Repeal Obamacare and pass a replacement that saves lives and money by empowering patients and doctors, not bureaucrats and politicians.

Repeal

Obamacare is a disaster and the first task of my administration will be to repeal it.

The Obamacare law is unconstitutional, unaffordable, unworkable, and stunningly unfair. Its so-called "individual mandate" is blatantly unconstitutional and an unprecedented expansion of federal power. If the federal government can coerce individuals—by threat of fines—to buy health insurance, there is no stopping the federal government from forcing Americans to buy any good or service.

In addition to the unconstitutional nature of individual and employer mandates, we are learning that they simply don't work.

Their intractable problem is this: once you have a mandate, the government has to specify exactly what coverage must be included in insurance for it to qualify. This introduces political considerations into determining these minimum standards, guaranteeing that nothing desired by the special interests will be left out.

And once the government mandates such expensive insurance, the government becomes responsible for its costs. It has to adopt expensive subsidies to help people pay for the expensive plans that it is requiring. The resulting cost to the taxpayer and strain on the budget leads the government to try and control healthcare costs by limiting healthcare services. The inevitable result is rationing by a nameless, faceless, unaccountable board of government bureaucrats.

The Obamacare law also creates one thousand, nine hundred and sixty eight separate grants of power to bureaucrats, most of them to the Secretary of Health and Human Services and her bureaucracy. It creates 159 new boards, agencies and other government entities to administer health decisions that should be up to the individual in consultation with their doctor. This unprecedented grant of discretionary power to unelected

bureaucrats guarantees the rise in arbitrary and corrupted decision-making by the federal government.

For these reasons and more, I will fight for the repeal of Obamacare until it is repealed in its entirety.

We must either limit government or we will have government limit us.

Replace

As I carry the banner in fighting for the repeal of Obamacare, I will advocate for specific replacement health policies that will create a free market framework for healthcare, provide affordable, portable, and reliable healthcare coverage, and establish a healthcare safety net focused on those in need. This system will assure healthcare for all with no individual mandate or employer mandate of any kind.

This alternative to Obamacare begins with patient power and localism and the many common sense ideas developed over the past eight years at the Center for Health Transformation.

Over the next year, I look forward to discussing solutions for a pro-market replacement for Obamacare that puts top priority on empowering patients, focusing on the doctor-patient relationship, using the best new science to save lives and save money, lowering medical costs, and improving the quality of life for every single American.

We must take advantage of the unparalleled resources we already have: The United States has the best doctors, the best medical schools, and the best hospitals in the world. Our entrepreneurial spirit and drive for innovation has already produced medical advances once considered unimaginable.

Replacement legislation must build on these strengths. It must include provisions to make health insurance more affordable and portable by allowing Americans to purchase insurance across state lines. It must increase price competition in healthcare. It must improve patient safety and decrease overhead costs by digitizing all medical records, and it must introduce lawsuit reform to stop the frivolous lawsuits that drive up the cost of medicine.

Instead of an individual mandate penalty for not buying government approved health insurance, the federal tax code should be reformed to provide every American the choice of a generous tax credit or the ability to deduct the value of their health insurance up to a certain amount. The federal tax code should provide the same tax relief for the individual buying his own insurance as the employer providing health insurance to its employees.

This will lower costs for individuals and families, and will make it easier for people to obtain portable insurance they can take with them from job to job. If you don't like your employer's insurance, you get the same tax relief if you buy the insurance of your choice.

Employers should also be allowed to buy individually-owned insurance for their employees, instead of non-portable, group insurance.

This approach provides a foundation of equal fairness for all, rather than the favoritism and rank discrimination of the Obamacare bureaucracies and the current system.

We should extend Health Savings Accounts throughout the healthcare system. Everyone on Medicare should be free to choose an HSA as part of their coverage if they want it. Everyone on Medicaid should be free to choose an HSA for part of their coverage. All workers should be free to use their health insurance tax credit or deduction to choose an HSA in place of their employer-provided health insurance if they desire.

These are a few examples of reforms that we can enact, once Obamacare is repealed, that will transform our current healthcare system into one centered on the individual, where patients and doctors have power, not Washington bureaucrats.

2. Return to robust job creation with a bold set of tax cuts and regulatory reforms that will free American entrepreneurs to invest and hire, as well as by reforming the Federal Reserve and creating a training requirement for extended federal unemployment benefits to encourage work and improve the quality of our workforce.

Government does not create jobs. The American people create jobs.

Ronald Reagan understood this truth. His bold series of tax cuts and deregulatory measures upon taking office ended the economic stagnation of the 1970s for good by freeing American businesses to create nearly 20 million new jobs in less than a decade. In September 1983 alone the Reagan recovery led the American people to create 1,100,000 new jobs, more jobs than the first eight months of 2011 combined.

We understood these principles when we won the first Republican majority in the House in 40 years in 1994. Balanced budgets, streamlined government and the biggest capital gains tax cut in history led to unemployment falling to under 4% by 2000.

My administration will build on this time-tested model: A profound restructuring and reduction of the tax and regulatory burden on Americans, with the very achievable goal of 4% unemployment and millions of new jobs within only a few years.

JOBS AND PROSPERITY PLAN: LOWERING TAXES

First, I pledge to veto any tax increase. American families and businesses deserve certainty and predictability, and I will work to make permanent all current rates of taxation that would otherwise increase automatically in 2013.

My Jobs and Prosperity plan will then make four major tax cuts:

- Reduce the Corporate Tax to 12.5%. Reducing the corporate income tax, currently the second highest in the developed world, will make America the number one destination in the world for foreign investment and the millions of jobs that will accompany this designation. Most of the \$1.2 trillion in profits locked up overseas by the current 35% tax rate will come home to be reinvested and distributed at a 12.5% rate.
- Abolish the Capital Gains Tax. Lowering the cost of investment means hundreds of thousands of more jobs will be created. It happens every time we lower the capital gains tax. At a zero percent rate, hundreds of billions of dollars in new investments will pour into the United States to create new firms and build new factories.

- Abolish the Death Tax. This law is economically misguided and morally indefensible, and it is time for the government to stop destroying family wealth. Abolishing the death tax ensures family-owned businesses can focus on creating jobs and growing rather than on dealing with tax law.
- 100% Expensing. We want American workers to have the most modern and most productive equipment in the world, and we can encourage this development by allowing companies to write off all their new equipment in one year.

JOBS AND PROSPERITY PLAN: TAX SIMPLIFICATION WITH AN OPTIONAL FLAT TAX

My legislation will also include an optional flat tax. All tax filers would be given the option to pay their income taxes subject to current income tax provisions or to pay under a lower single rate of taxation with limited deductions. A revenue neutral flat tax reform would save hundreds of billions of dollars in compliance costs each year and would eliminate the need for taxes on savings, dividends, and capital gains.

A faster, flatter, fairer tax structure would be simple: tax returns could be done on a single page. Subtract from your income a standard deduction and deductions for charity and home ownership, multiply the result by a fixed single rate of taxation, and the process is over. Gone will be the stressful hours spent figuring out whether your military service or marital status will adversely affect your return. No more headaches trying to determine where estimated tax payments go. Tax preparation fees could be money spent on something more rewarding.

Such an optional flat tax system would create a new standard deduction, which would be above the established poverty level, meaning an optional flat tax would not unfairly target the poor.

An optional flat tax would eliminate the Alternative Minimum Tax. And if a person had twice as much income as another, he or she would be taxed twice as much. Furthermore, a single rate tax structure would eliminate taxes on savings, capital gains, and dividends. Saving would increase and businesses would expand to create new jobs.

JOBS AND PROSPERITY PLAN: FEWER AND SMARTER REGULATIONS

To empower job-creators, we must get rid of regulations that prevent them from growing and hiring. This means taking decision-making power away from bureaucrats who don't understand how job creation works.

My Jobs and Prosperity package would repeal the Dodd-Frank legislation, a 2,300-page law passed in 2010 that mandates 400 new regulations written by unelected

bureaucrats. Dodd-Frank is paralyzing lending to entrepreneurs, killing small banks, crippling small businesses, driving down the value of housing, and creating corrupting Washington controls over the biggest banks.

Repeal the Sarbanes-Oxley law, which has crippled American start-ups with burdensome compliance costs, driven publicly-traded companies private, and forced American companies overseas.

Replace the National Labor Relations Board (NLRB) which is harassing job creators. When businesses are targeted unfairly by government for creating jobs in different states, businesses simply won't create jobs in any states. We need to stop this unaccountable, activist bureaucratic agency from harassing job-creating companies. The NLRB is currently harassing Boeing, our country's biggest exporter, because it decided to build a new factory and create hundreds of new jobs in the right-to-work state of South Carolina instead of the forced-unionization state of Washington. We need a new common sense organization for labor-management relations to replace the NLRB.

Later in this Contract, I outline ideas for pro-market, pro-growth, pro-consumer reforms to the Food and Drug Administration and the Environmental Protection Agency.

JOBS AND PROSPERITY PLAN: REFORMING THE FEDERAL RESERVE

I will also include in jobs and prosperity legislation provisions to reform the Federal Reserve. They will include a full-scale audit of Federal Reserve activities as well as a narrowing of the Fed's statutory mandate.

The amount of money Chairman Bernanke has allocated in secrecy is incompatible with a free society. Every decision document and meeting record for 2008 to 2010 should be made public and audited. We the people deserve to know how our money is spent.

The Fed's monetary policy discretion should be limited to following a price rule guiding the conduct of monetary policy. The Fed should monitor the signals provided by sensitive commodity prices with the goal of maintaining stable prices, thereby contributing to a stable dollar without inflation.

The operations of the Federal Reserve have an extraordinary impact over our everyday lives.

The Fed influences how much money is circulating in the economy, the value of the dollar, and what we pay to borrow from banks in the form of interest rates.

Since the enactment of legislation in 1978 known as the Humphrey-Hawkins Act, the Fed has had a dual mandate: maximum employment and stable prices. These two goals are incompatible.

Senator Bob Corker may have said it best when he described the Fed as having today a “bipolar mandate.”

This means that the same policies that the Fed uses to encourage job and economic growth are also the mechanisms that most dangerously weaken the value of the dollar by promoting inflation.

For example, the Fed might increase the money supply substantially in the belief that such monetary expansion will spark economic growth.

But a Fed that floods the economy with new dollars in an attempt to stimulate economic growth and new jobs is a Fed that decreases the value of every dollar in every American’s pocket through higher inflation, making every American poorer.

Historically low interest rates made possible by Fed policies over the past decade fueled an inflationary housing bubble. Home prices exploded due in part to the availability of cheap credit only to collapse disastrously in 2006 and 2007.

As a result, the average American’s home is worth no more than it was a decade ago.

The Fed’s dual mandate also negatively affects job creation. To put it briefly, we will never be able to achieve sustainable long-term job creation in this country if the Fed continues to artificially affect the level of interest rates.

Artificial interest rates distort investment decisions all across the economy, resulting in a misallocation of productive resources that cannot be sustained over the long term. Eventually, artificially low rates lead to an economic bust and widespread job losses. Only when interest rates are no longer manipulated can businesses and entrepreneurs determine the right investments that can in turn lead to sustainable job creation throughout the economy.

Finally, the Fed’s low interest rate policy has unfairly punished savers in general and retirees in particular. No one can live off the interest on their savings when it has been artificially kept low by the Fed.

JOBS AND PROSPERITY PLAN: REFORMING THE UNEMPLOYMENT COMPENSATION SYSTEM

The best way to repair our broken unemployment compensation system is to make the problem of perennially high unemployment obsolete through robust economic growth. But in the meantime, 25 million Americans are unemployed or underemployed. They depend on a system that is costly but does not actually help them get a job. It is a system in dire need of reform. Ninety-nine weeks is too long for any American to be dependent on the government.

It is fundamentally wrong to give people money for 99 weeks for doing nothing. That's why we undertook and passed welfare reform when I was Speaker. It is also why I will introduce a training requirement for extended federal unemployment benefits. We can better help these Americans by requiring them to participate in real training programs in private companies, in exchange for temporary unemployment aid.

Our goal is to convert the time and money now lost to a maintenance unemployment program into a human capital investment program that increases the competitiveness of the American worker in the world market in a time of dramatic scientific and technological change.

This program should be delegated to the 50 states so each can experiment with the best way to use unemployment compensation as a job training program.

I look forward to learning more about the most innovative state-level job-training programs, such as Georgia Works and Texas Back to Work, and hearing your thoughts about how we can create legislation to make the American workforce the most skilled and productive in the world.

3. Unleash America’s full energy production potential in oil, natural gas, coal, biofuels, wind, nuclear oil shale and more, creating jobs, stimulating a sustainable manufacturing boom, lowering gasoline and other energy prices, increasing government revenues, strengthening the dollar, and bolstering national security.

The United States has more energy resources than any other country in the world – more than Russia, Saudi Arabia, Canada, or Brazil. Expanding the development of these resources could create up to 1.1 million new jobs and deliver \$127 billion in new government revenues by 2020, according to a recent Wood Mackenzie study. With the right regulatory policies, the United States could be the largest oil producer in the world by 2017.

Yet we pay nearly \$4 per gallon for gasoline and continue to import nearly half of our oil from foreign countries, many of which have governments hostile to the United States. Meanwhile, millions of Americans in energy-rich regions of the country remain unemployed.

It is time to harness the immense natural energy resources our country has, get Americans back to work, and lower gas, diesel, and other energy prices for every American.

My administration will pursue an “all of the above” American Energy Policy that allows expanded development of oil, natural gas, coal, biofuels, wind, and nuclear sources of energy.

An effective pro-American energy bill will lead to a boom in American jobs, a dramatic increase in the value of the dollar as we spend less on energy from overseas, and more revenue for state and federal government from royalties and increased economic activity.

As President, I will immediately reset our energy policy by removing bureaucratic and legal obstacles to responsible oil and natural gas development in the United States.

This means development of offshore oil and natural gas resources in places currently blocked by the federal government, such as the Atlantic and Pacific Outer Continental Shelves and the eastern Gulf of Mexico.

It also means ending the restrictions on oil shale development in the western U.S., where we potentially have three times more oil than Saudi Arabia.

Under this plan, coastal states will receive a share of the royalty revenues the federal government takes in – a benefit that states that drill on land already enjoy -- to give them an incentive to allow offshore development.

This plan will also ensure that federal agencies get out of the way in places where drilling is already allowed.

For example, even though companies have been cleared to drill in the western Gulf of Mexico for months, the Department of Interior has dragged its feet on reissuing permits – and Gulf Coast economies continue to languish.

Through citizen action, we can liberate America's energy resources. For example, in the spring of 2008, gas prices were surging towards four dollars a gallon, a citizen-led petition called Drill Here, Drill Now, Drill Less, called upon Congress to immediately address the energy crisis.

One and a half million signatures later, Congress voted to end its 25-year ban on offshore drilling. By the end of 2008, gas prices has plummeted to under \$2 dollars a gallon.

A pro-American energy plan must also recognize the enormous natural gas potential in the United States, especially the development of vast shale gas resources across the country. America is a world leader in responsible shale gas production, and we must continue to promote this form of safe domestic energy production that is creating jobs and strengthening our economy, from Pennsylvania to Texas to Colorado.

This also means maintaining the strong and effective regulation of hydraulic fracturing at the state level and ending the federal government's attempts to clamp down on this vital technology that has been used safely for more than 60 years.

We must also replace the EPA, which pursues an anti-jobs agenda the economy simply cannot sustain. A pro-growth Environmental Solutions Agency will in its place balance environmental issues with economic realities and will focus on incentives for new solutions, research, and technologies, and pursue a cooperative approach with local communities.

The imperative to unleash American energy is not just economic. It is also a basic question of national security. The more energy we can produce here, the less dependent we are on foreign countries, many of whom have interests hostile to our own. At the same time, we must strengthen our relationships with close allies that have vast natural resources, such as Canada. For example, we must immediately authorize the construction of the Keystone XL pipeline, which will bring 700,000 barrels of oil a day from Western Canada, Montana, Oklahoma, and the Dakotas to Gulf Coast refineries in Texas, reducing our dependence on Latin America and the Middle East and creating tens of thousands of new jobs.

I look forward to learning more about your ideas and solutions for a bill that will end our man-made energy crisis, and pursuing solutions that will create jobs, bring in more revenue, and lower prices for all Americans.

We have done this before, and we can do it again.

4. Save Medicare and Social Security by giving Americans more choices and tools to live longer, healthier lives with greater financial independence.

Americans work their entire lives to pay for their hard-earned retirement benefits, and as Americans now enjoy longer and healthier lives than ever, these benefits must be protected and made even stronger.

I reject the idea that we can solve our budget and debt crisis by some combination of cutting benefits and raising taxes within the current framework of these two programs.

Instead, we need to think outside the box with fundamental, structural reforms that would transform and modernize these two programs, changing how they work to achieve their goals. Any American who wants to enter or remain in the existing Medicare and Social Security programs will be able to do so, but we will also introduce optional alternatives that give Americans more control over their health and retirement.

I look forward to having a discussion with Americans about new legislation that will increase the control that Americans have over their retirement options, while also dramatically reducing costs. Instead of tax and spend redistribution, I propose that new legislation reforms our entitlement programs so that they can benefit from modern capital, labor, and insurance markets to achieve their goals, with positive, pro-growth incentives to reinforce and further economic growth, rather than counterproductively subtract from it.

If we do this right we can achieve the goal of ensuring a secure and healthy retirement for all, far better and more effectively, at just a fraction of the cost of the current, outdated, counterproductive entitlement programs.

Any American who wants to enjoy the existing Medicare and Social Security systems will be able to do so. At the same time, this legislation will provide Americans with new options. It will offer voluntary market-oriented alternatives that allow Americans to take more control of their own retirement planning.

As more Americans move voluntarily onto the new market-oriented systems, costs will naturally decline.

Medicare

First, stop paying the crooks. An estimated \$70 to \$120 billion a year is paid to crooks by Medicare and Medicaid. This is the best place to save money at no cost to honest people.

My proposed legislation will offer seniors new choices in Medicare, as well. It will give them the option to choose, on a voluntary basis, either to remain on the existing program, or to transition to a more personalized system in the private sector with greater options for better care. If they select the personalized system, beneficiaries would receive support to cover their private sector premiums. Giving all seniors the option to choose their insurance provider will improve price competition and help lower costs for the program.

Social Security

As president, I will act to strengthen Social Security. My administration will never hold Social Security payments hostage as a bargaining chip against political opponents, as President Obama did in the summer of 2011.

As more Americans live longer and healthier lives, strengthening Social Security also means creating new options for younger Americans. We must therefore consider a voluntary option for younger Americans to put a portion of their Social Security contributions into personal Social Security savings accounts. Other countries, such as Chile, have found that this model creates vast savings while giving beneficiaries more control over when and how they plan to retire.

There are many exciting solutions that will both strengthen Social Security and Medicare while tapping the private sector to save costs, and I look forward to discussing these with Americans over the next year.

5. Balance the federal budget by freeing job-creators to grow the economy, reforming entitlements, and implementing productivity improvement systems, such as Lean Six Sigma, to eliminate waste and fraud. Pass a balanced budget amendment to keep it balanced.

Getting to a balanced budget is absolutely vital. When there is a permanent budget deficit there is no reason for any politician to say no to any interest group. That is, in fact, how we ended up with the current, absurdly bloated, undisciplined federal government. If deficits do not matter and spending is open-ended, the most rational strategy for every bureaucracy is simply to ask for more money.

If, however, there is a commitment to balancing the budget, then each agency has to find better ways to do things and more innovative ways to get things done. If you want innovation, better outcomes at lower costs, greater productivity, and a spirit of entrepreneurial public management, the balanced budget creates much more pressure for real innovation.

Over time, the requirement to balance the budget leads to smaller government. Politicians who have to face the voters because they are raising taxes have a much harder sell to make than politicians who can bring home "free" goodies with only some distant deficit to explain.

Two months after I became Speaker in 1995, we came within one vote in the Senate of passing a constitutional amendment that would have required a balanced federal budget. Even though we didn't win the vote, the House Republican leadership decided to act as though the Balanced Budget Amendment had become law.

We had pledged to balance the budget within seven years of getting elected, and experts laughed at us – but we ended up doing it in three. And we balanced it for four straight years for the first time since the 1920s.

The financial impact of achieving balanced budgets was startling. When I was sworn in as Speaker of the House in January 1995, the Congressional Budget Office projected that over the next decade the cumulative federal budget deficits would total \$2.7 trillion.

Shortly after I left office in January 1999, CBO projected that over the next decade federal surpluses would total over \$2.2 trillion– a four-year turnaround in the fiscal outlook of the United States of nearly \$5 trillion. A comparable four-year improvement in the U.S fiscal outlook today would total over \$8 trillion (as a percentage of GDP).

Today we find ourselves in a situation similar to 1994: Deficits projected as far as the eye can see and an urgent need to return to balanced budgets.

But Americans should not have to accept a defeatist attitude from Washington: There is every reason to believe a comprehensive program of economic growth, government modernization, returning power to the citizens and states and dramatically expanding American energy production can lead to a balanced budget far faster than experts now predict.

The biggest key to reducing the deficit is robust economic growth. Elsewhere in this contract, I outline principles that would empower job-creators to hire millions more Americans by dramatically reducing tax and regulatory burdens, and a program to unleash our bountiful untapped sources of American energy. By creating more wealth and more taxpayers, and by developing billions of dollars worth of new American energy resources, we will dramatically increase federal, state and local revenues and decrease budget deficits.

More revenue can also come through American energy development and through better development of federally owned land including the 69% of Alaska and 85% of Nevada that we the people own through our government.

We can have higher revenues without having higher taxes.

More revenue through economic growth may be the surest method of reducing the deficit, but the federal government must also commit to spend no more of Americans' money than is needed. That is why this legislation will strive above all to corral the reckless growth of federal spending.

Finally, the bureaucratic rules and procedures that are commonplace in the federal government have no place in the twenty-first century. This legislation must dramatically overhaul the entire structure of the federal civil service, and make it clear that Americans will only tolerate a government that aggressively targets and eliminates waste and fraud, and incorporates private-sector best practices.

Strong America Now, an organization dedicated to bringing modern management to government at every level, estimates that we can save \$500 billion a year in spending through proven waste-cutting and value-enhancing techniques from the private sector, such as Lean Six Sigma. The Defense Department has already used Lean Six Sigma to save more than \$22 billion, increasing productivity 1,000 percent in some facilities.

IBM's Business of Government consultancy makes a more conservative estimate, suggesting that the federal government could save \$100 billion annually by implementing commercial best practices.

Using fraud detection techniques similar to those employed by credit card companies, we could save between \$70 and \$120 billion a year in Medicaid and Medicare fraud, according to the Center for Health Transformation.

The opportunities for improvement and waste reduction are endless, and I look forward to hearing Americans' ideas about other ways to make the federal government more efficient.

6. Control the border by January 1, 2014 and establish English as the official language of government; reform the legal visa system, and make it much easier to deport criminals and gang members while making it easier for law abiding visitors to come to the US.

The United States must control its border. It is a national security imperative.

Every nation has the right to control its border. Historically, every country that has been determined to control their border has been able to do so.

Controlling the border is a matter of resources and will.

As Americans, we can accomplish unimaginable feats when we have the resources and the will. The United States won World War II in 3 years and 8 months. In the 44 months after the Japanese attack on Pearl Harbor, the United States mobilized its resources to defeat Fascist Italy, Nazi Germany, and Imperial Japan.

Unfortunately, we haven't brought any sense of urgency to controlling our border – even as a drug-fueled civil war now rages in Mexico.

In October 1986, Ronald Reagan wrote in his diary that he was signing the Simpson-Mazzoli immigration reform bill because it was “high time we regained control of our borders & this bill will do this.”

Today, a quarter century later, we still have not achieved President Reagan's goal and expectation.

This bill will waive every obstacle to controlling the border and would shift resources to achieve virtually 100% control by January 1, 2014. If necessary, we would move one-half of the 23,000 Washington-area Department of Homeland Security bureaucrats to the Texas, New Mexico, and Arizona borders.

At the same time we are controlling the border we should make it easier for honest people to visit America honestly.

Our current visa system is inefficient, expensive, and inhospitable and drives people away from visiting the United States. Americans and visitors deserve a system that works.

Americans will benefit from a fairer, more secure, more efficient system, which will ensure that foreign visitors, students, workers and job-creators alike provide as many positive benefits as possible to our economy and society.

We want legal visitors for our tourist attractions to increase the number of American jobs.

We want the best legal students in our universities and colleges, and then staying to create American jobs.

We want legal businessmen and businesswomen visiting the United States easily and comfortably so they can do more business in the United States and create more American jobs.

We want potential investors and entrepreneurs to visit America easily so they can create American jobs.

Finally, we want family members to find it easy to visit legally for holidays and family events to strengthen the human bonds that we Americans cherish.

At the same time, it is currently too difficult to deport criminals and gang members.

When someone is here illegally and is dangerous, there should be expedited procedures to remove them from the United States as rapidly as possible.

We can apply modern management techniques to create a more accurate, more secure, less expensive, and more hospitable visa system.

Combining border control with visa modernization makes it harder to be illegal and easier to be legal and that is a big step forward for America.

7. Revitalize our national security system to meet 21st century threats by restructuring and adequately funding our security agencies to function within a grand strategy for victory over those who seek to kill us or to limit American freedom.

The current leadership of the United States is severely out of touch with the escalating dangers that threaten our security.

If the people's security cannot be assured, the unalienable rights to life, liberty and the pursuit of happiness are meaningless, which is why the first responsibility of government is to defend the nation. In the preamble to the Constitution, providing "for the common defense" is identified as a primary reason for forming the new government.

As American presidents have traditionally found, our nation's peace and safety is best maintained through a robust military capacity, tireless vigilance, and a clear strategy for identifying and countering potential threats—a policy widely known as "peace through strength." Adherents of such a policy do not seek confrontation. To the contrary, America leads the world in spending on the military and on national security precisely to ensure that our wars are as rare and as swift as possible.

This world is in danger of becoming dramatically more dangerous in the not-too-distant future, and we need to overhaul our entire strategy now if we intend to continue being the safest, freest and most prosperous country in the world.

It is very dangerous for Washington to consider dismantling key parts of our national security structure during a time of war. When we convey weakness and confusion, we become most vulnerable to attack. As Ronald Reagan warned in 1980, "We know only too well that war comes not when the forces of freedom are strong; it is when they are weak that tyrants are tempted."

General John Abizaid, former Commander of the Central Command, points out that in America "there is a bigger strategic deficit than the fiscal deficit."

We need to be able to discuss the threats that face us in a clear and open manner. The courage to be free is only sustained by the moral capacity to distinguish between good and evil. If evil cannot be called by name, we will not be able to deter—or even recognize—threats to our nation. Likewise, if we cannot proclaim the righteousness of our values, then we won't be able to mobilize the spirit necessary to defend America.

The next Administration and Congress must decisively address the following realities:

1. There are very, very different challenges emerging simultaneously and each requires a fundamentally different strategic response;
2. The bureaucracies of national and homeland security, intelligence, diplomacy and space activities are all decaying in their effective implementation capability and are wrapped up in red tape and inefficiency;

3. Our military infrastructure has become dangerously outdated, with our arsenal and equipment in urgent need of new investment;
4. There are new emerging technologies endangering us – for example, electromagnetic pulse weapons, cyberwar, and lawfare, which we are not prepared to deal with;
5. American leaders are tired after seven decades of being the world's preeminent power, and are very resistant to putting in the time and energy it will take to understand the emerging threats and the necessary responses.

We need a new strategy that is as decisive and comprehensive as our bold and unprecedented response to the rise of the Soviet threat after World War II. It will streamline our security, intelligence and diplomatic departments, and recapitalize our military infrastructure.

This bill would be the beginning of that process, not the end.

8. Maximize the speed and impact of medical breakthroughs by removing unnecessary obstacles that block new treatments from reaching patients and emphasizing research spending toward urgent national priorities, like brain science with its impact on Alzheimer's, autism, Parkinson's, mental health and other conditions that knowledge of the brain will help solve.

Americans' vigilant defense of Creator-endowed rights, rule of law, and intellectual freedom has long drawn risk-takers, innovators and brilliant minds from all around the globe.

It is no coincidence that the vast majority of the major scientific and health-related breakthroughs of the last two centuries have occurred here.

Today, we are on the cusp of an explosion of new science that will create new opportunities in health, agriculture, energy, and materials technology.

Breakthroughs in brain science, in particular, will open up enormous opportunities for cures and treatments for Alzheimer's, Parkinson's, autism, mental illness and learning disabilities.

The question in the twenty-first century is whether we reform our system so we can educate, regulate, and invest in a way that allows us to continue to be at the forefront of innovation.

A key first step is to transform the Food and Drug Administration to allow these breakthroughs to proceed rapidly.

Nearly a quarter of all products Americans consume are regulated by the FDA. Every drug and medical device we use, as well as nearly 80 percent of our food supply, must pass FDA muster before heading to the market.

Americans deserve a fair and competent regulatory regime that emphasizes both consumer safety and ensures that life-saving breakthrough products get from our labs to our pharmacies and homes as efficiently as possible.

Unfortunately, the current FDA falls well short of this expectation, and its stagnant, bureaucratic and byzantine regulatory guidelines are scaring off new investment and driving innovators overseas. This is bad news for American jobs and competitiveness, and downright awful news for anyone who wants to ensure that life-saving medicines and devices can get to patients as quickly as possible.

The goal of a new 21st century FDA must be to ensure that in America knowledge moves to the market so rapidly that no other country in the world can compete with us in developing and marketing new solutions for health, food, energy, and materials technology.

Furthermore, government agencies such as the National Institutes for Health have the opportunity to use scientific research funding today in a way that will avert massive costs and human suffering in the future.

As Americans now live longer than ever, one of the greatest fiscal threats in health is the rising cost of treating Alzheimer's patients. The current estimate is that the combined public and private cost of Alzheimer's between today to 2050 will be \$20 trillion. That is one and a half times the current total federal debt.

But a smart emphasis on brain science and innovation today can change this projection for the better.

Brain scientists note that because Alzheimer's is largely (but not entirely) a disease of older citizens you can have an enormous effect simply by postponing the onset of the disease by five years. The Alzheimer's Association believes this could save between \$5 and \$10 trillion in the next four decades.

In addition, investments in brain science hold enormous potential to improve the lives of those who struggle with Autism, Parkinson's, and mental health trouble. Intensified research in this area could make untold contributions to understanding learning, cognition, and other important aspects of life.

A strategy of maximizing the speed with which new science can be developed and implemented to help the patient has a greater potential to pay off in brain science than in any other area.

While this topic may initially seem unusual in a proposed 21st Century Contract with America, I look forward to laying out my case of why I believe that brain science will soon be a major part of planning for better health and longer lives with greater independence and lower costs to the federal and state governments. It will also be an area in which American leadership could lead to an enormous number of new American jobs providing services for the entire world.

9. Restore the proper role of the judicial branch by using the clearly delineated powers available to the president and Congress to correct, limit, or replace judges who violate the Constitution.

In the last half-century, a political and activist judiciary has stepped far beyond its proper boundaries.

The time has come to reestablish a balance among the three branches of government according to the Constitution.

Article I of the Constitution covers the legislative branch, because the Founding Fathers thought it would be closest to the people and therefore the strongest branch.

Article II concerns the Executive Branch because the Founding Fathers had lived through an eight-year war with the British Empire and knew there were times when there would have to be a strong executive and a competent Commander-in-Chief implementing the law and defending the nation.

The Judicial Branch did not come until Article III because the Founders wanted it to be the weakest of the three branches.

The Federalist Papers explicitly recognized that the Judicial Branch would be weaker than the Legislative and Executive Branches. In Federalist 78, Alexander Hamilton wrote reassuringly that the Judicial Branch would lose any confrontation with the two elected branches:

“the judiciary is beyond comparison the weakest of the three departments of power; that it can never attack with success either of the other two.”

The Founding Fathers felt strongly about limiting the power of judges because they had dealt with tyrannical and dictatorial British judges.

In fact, reforming the judiciary was second only to “no taxation without representation” in the American colonists’ complaints about the British Empire prior to the revolution. A number of the complaints in the Declaration of Independence relate to judges dictatorial and illegal behavior.

Since the New Deal of the 1930s, however, the power of the American judiciary has increased exponentially at the expense of elected representatives of the people in the other two branches. The judiciary began to act on the premise of “judicial supremacy,” where courts not only review laws, but also actively seek to modify and create new law from the bench. The result is that courts have become more politicized, intervening in areas of American life never before imaginable.

There are clear legislative and executive remedies for courts and judges that violate their oath of office, act beyond the judicial power, or otherwise act in a manner that violates the Constitution, and these remedies have been used in the past.

For example, Thomas Jefferson and the new Congress abolished over half the federal judgeships and reorganized the federal judiciary with their repeal of the Judiciary Act of 1801 and their passage of the Judiciary Act of 1802. Congress also has the power under Article III of the Constitution to regulate the jurisdiction of the Supreme Court and other federal courts.

I look forward to having a national conversation about a bill that will establish a constitutional framework for reigning in lawless judges, reestablishing a Constitutional balance among the three branches, and bringing the Courts back under the Constitution.

10. Enforce the Tenth Amendment by starting an orderly transfer of power and responsibility from the federal government back “to the states, respectively, or to the people,” as the Constitution requires. Over the next year, state and local officials and citizens will be asked to identify the areas which can be transferred back home.

This bill will decisively return power and responsibility to the states and the citizens. The discussion of any new piece of federal legislation must begin with a serious consideration of the Tenth Amendment:

“The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.”

With every new law, initiative, and reform, Washington must ask itself: Are we overstepping our bounds and usurping powers that should belong to the people and the states?

For too long, Washington has ignored this fundamental question.

As a result, far too much power has migrated from the people and the states to Washington and its bureaucracies.

America works best when states are free to craft innovative policies and compete with one another for talent, resources, and investment.

When Washington imposes one-size-fits-all rules and regulations, the positive and unique advantages of our federalist system are lost.

Many responsibilities that the federal government has assumed to itself should be returned to the states.

For example, during my Speakership, we passed the first major overhaul of an entitlement program in American history with welfare reform in 1996. Under the old system, the federal government gave states a blank check, and often incentivized welfare recipients not to enter the workforce. Naturally, spending growth was out of control, and the program did little to alleviate poverty. Our reform changed this: States now get only a fixed amount – a “block grant” – every year, and can design their welfare system however they want as long as they require recipients to eventually enter work.

Within five years, various measures of poverty had plummeted to historic lows. Nearly two out of three welfare recipients were working, and the federal government had saved billions of dollars on future welfare costs.

We can build on this success by identifying other means-tested entitlement programs that can be block granted to the states. There are 184 other means-tested entitlements that could be block granted in a similar manner to our reform in 1996. One program alone – Medicaid – could save the federal government over \$700 billion in the next decade, according to Congressman Paul Ryan's 2012 Republican Budget. Not only would these programs be more responsive and dynamic on a state level, but Americans would save hundreds of billions of federal tax dollars every year.

I will need advice from state and local leaders and citizens as we come together to identify what other responsibilities must be taken out of Washington and transferred back to the states, or to the people.