

Jobs and the Economy: Things are not so good out there. The unemployment rate, already stubbornly high, climbed even higher in May. Economists are revising economic growth predictions downward. Housing prices continue to drop, thereby further reducing household wealth. Real returns on bank deposits and Treasury Bills are negative. The dollar is dropping. Gas prices are up, inflation is up. There are some bright spots, certainly, but the overall picture is that of stagnation. Unfortunately, none of this is a great surprise given what the government has been doing of late. We are printing money and artificially holding down interest rates to try and spur recovery. But, this is creating those negative real (after inflation) interest rates, which are distorting capital flows. Most of the country's tax policies expire in 18 months, so no one can do any long-term investment planning about taxes with any certainty. The government is retarding the development of almost all forms of economical energy (oil, gas, coal, nuclear), while subsidizing expensive wind and solar. We continue to run record deficits, which divert capital from other more productive uses and create the massive public debt overhang that retards growth. In almost every part of the executive branch, increased regulatory requirements and costs are driving foreign investment and jobs out of America. The causes for this exodus range from ObamaCare and the Dodd/Frank overregulation to the FDA, FCC, and just about every other agency with a federal acronym.

So, what should we do? First of all, there is no one "silver bullet". No one action will start the economy on a path to more robust growth and job creation. Instead, we need to do a lot of things. Things that will give everyone in and out of this country confidence as to our future path such that they build and create and hire again. If I were King of the Forest (*not Queen, not Duke, not Earl - Wizard of Oz reference for those of you who don't know*), here is what I would do right now:

1. Enact a spending reduction plan, which I think should be even more aggressive and work more quickly than the Paul Ryan Budget plan, that puts the country on a firm and credible path to a balanced budget in less than 10 years. This should be done with spending reductions, entitlement reform, and revenue growth through economic growth, not tax increases.

2. Create a new long-term tax plan that has no expiration date. This should include flatter, lower tax rates with fewer deductions, similar to the "Optional Simplified Tax" which Paul Ryan (R-WI), Jeb Hensarling (R-TX) and I have introduced for several congresses now. Also, eliminate the death tax and the tax on U.S. corporations that repatriate money earned overseas.

3. Go on a domestic energy development binge as a part of an energy policy plan to make us

energy independent. Take advantage of the many untapped oil reserves we have all over this country and offshore. Do the same with natural gas and coal and nuclear, as well as some alternatives, and eliminate/streamline the regulatory requirements to make this happen. Doing so should lower energy prices immediately because markets are anticipatory. But, even if it didn't, we would create a huge number of high paying new jobs right now.

4. Create a U.S. manufacturing policy built on special depreciation rates and free trade agreements and relaxed labor regulations in order to encourage domestic manufacturing of complex devices. We are unlikely to manufacture many rubber toys in this country, but we can and should continue to make complicated things here and have the good paying jobs that come with them.

5. Repeal ObamaCare and major parts of Dodd/Frank, and ease regulatory burdens across the economy to remove impediments to entrepreneurship, new products, and new ideas.

6. Pass the Housing Finance Reform Bill that I am championing in order to give certainty to the future of 30-year home financing. The economy will never have robust growth without the housing market leading the way. My bill can jump-start that needed growth.

7. Pass a number of specific bills to remove impediments and uncertainties and create opportunities in many segments of the economy. This list includes things like reforming the FDA, rewriting the patent system, and increasing the number of H-1B visas, so that highly talented foreign individuals with advanced degrees from U.S. universities can stay and create new products and ideas here instead of doing it in some other country.

8. Put the nation on a path to universal, free internet wi-fi accessibility from coast to coast. The availability of free internet access will drive growth and jobs as the tech sector creates new products to utilize this capability. This is the technology equivalent of the interstate highway system. We can also create a new round of public infrastructure construction and rehabilitation by attracting private sector money through a new form of Infrastructure Master Limited Partnership.

OK, so that's a start. I could actually go on. There is no shortage of ideas. Just a shortage of leadership and agreement. Note that nothing I have presented will create any government jobs.

We have too many of those. We need private sector job creation. And, that can only happen when the private sector can increase productivity and create new markets and new products and new industries. Right now, the government is very inward looking. Everything the government does is about the government and how to make itself bigger and more powerful and more controlling. This plan is the opposite. It is about getting the government out of the way in some cases, and having the government create an environment in which the private sector has new opportunities for growth in other cases.

Are you listening to this, Mr. Obama? Probably not. I'm sure he's busy on next year's March Madness picks.