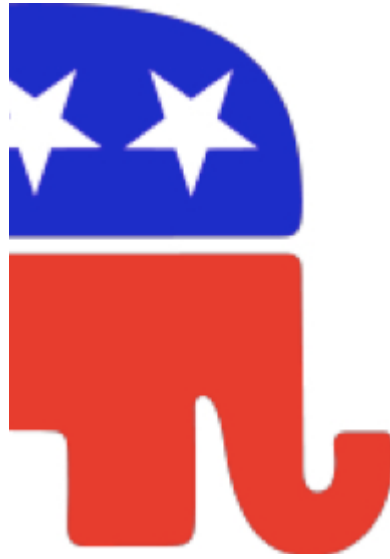




## New Contract With America to be Unveiled

History is about to repeat itself, if the activity of House Republicans is any indication.

First, a primer for those unfamiliar with electoral politics 16 years ago. In fall of 1994, the Republican Party was making electoral hay over widespread anger at Democratic President Bill Clinton, a fresh face who, two years before, had been elected on a platform of change. And change President Clinton brought: on his first day in office, he signed an executive order overturning the military's long-standing ban on homosexuals, creating with the stroke of a pen the so-called "don't ask, don't tell" policy that continues to stir controversy. Faced with huge budget deficits, President Clinton raised taxes sharply. His wife, meanwhile, was leading an aggressive task force charged with overhauling the American healthcare system. And there were unending allegations of moral impropriety on the part of the President. The American electorate, feeling betrayed by Clinton's radical agenda and sick of their obvious prevarications, was in a mood for change.



Enter the Republican Party, whose most visible representative in those days was Representative Newt Gingrich. With the support of other Republicans in Congress, who were in a minority in both houses, Gingrich and his allies (who included John Boehner, now the House Minority Leader) unveiled a new plan that they promised to enact if Republican majorities were elected to Congress. Called the "Contract with America," the Republican program consisted of eight planks for enactment on their first day in office:

1. All laws that applied to the rest of the country would be required to apply also to Congress.
2. Congress would be comprehensively audited by a major accounting firm for fraud and abuse.
3. House committees deemed superfluous would be jettisoned, and committee staff would be reduced by a third.
4. All committee chairmanships would be subject to term limits.
5. No proxy votes would be cast in committee.
6. Committee meetings would be open to the public.



Written by [Charles Scaliger](#) on September 22, 2010

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7. A three-fifths majority would be required to pass a tax increase.

8. Zero base-line budgeting would ensure honest accounting of the federal budget.

During their first 100 days in office, Republicans additionally promised in the Contract with America to enact balanced budget legislation, tax cuts for small businesses and families, term limits for all lawmakers, and Social Security and welfare reforms.

Most of the Contract with America died in the Senate or failed to see light of day at all. Without reviewing all the sordid details, suffice it to say that the freshman Republican class of 1994 failed miserably to deliver on its promises of smaller government and an end to corruption on Capitol Hill. By 2000, Edward Crane, president of the Cato Institute, could observe that “the combined budgets of the 95 major programs that the Contract with America promised to eliminate have increased by 13%.”

However, as a number of sober observers, including The John Birch Society, pointed out 16 years ago, the Contract with America was itself a bogus program, a distraction from the inconvenient fact that a contract already existed, then as now, between America and her political leaders in Washington. It’s called the United States Constitution, and it lays out, in clear, unambiguous language, what the powers delegated to the various branches of the federal government are to be (the word “federal,” by the way, comes from the Latin *foedus*, meaning “covenant” or “contract”).

One thing that the Constitution does is limit the size and power of the federal government. No power not enumerated in the Constitution may be exercised by the federal government, as James Madison, the father of the Constitution, explained clearly in *The Federalist*, #45:

The powers delegated by the proposed Constitution to the federal government are few and defined. Those which are to remain in the State governments are numerous and indefinite. The former will be exercised principally on external objects, as war, peace, negotiation, and foreign commerce; with which last the power of taxation will, for the most part, be connected. The powers reserved to the several States will extend to all the objects which, in the ordinary course of affairs, concern the lives, liberties, and properties of the people, and the internal order, improvement, and prosperity of the State.

Unfortunately, this crystal clear doctrine of enumerated powers hasn’t stopped federal legislators from passing laws and regulatory bodies dealing with everything from education to food quality, and from spending money on projects as diverse as crop price supports and foreign aid — none of which is mentioned in the Constitution.

The Contract with America was thus a clever counterfeit, a substitute program to distract the electorate from the contract every legislator swears an oath to uphold, and whose limitations on federal power clearly invalidate at least three fourths of everything the federal government does nowadays. Note that the 1994 Contract did not promise to eliminate unconstitutional programs like Social Security and welfare, but merely to reform them. While it made a few laudable procedural proposals to render the activities of lawmakers more transparent to public scrutiny, it did nothing to address the real problem confronting America, then as now: the size and constitutional legitimacy of government.

To be sure, the Contract promised to enact much-needed tax cuts. But tax cuts without corresponding cuts in government spending are mere eyewash for the masses, leading (as the tax cuts later enacted by President George W. Bush did) to higher deficits which must be serviced in the end by more taxes.

All of this, obvious in hindsight, was lost on many in the fall of 1994. The so-called “Republican



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Revolution,” born with all the hallmarks of a genuine popular revolt, fizzled in no small measure because of the misleading program created by Gingrich & Co.

Fast forward to fall of 2010, and once again, an energetic young Democratic president is on the electoral hot seat. Like President Clinton, President Obama is deeply unpopular for his radicalism and for his love of big government. Although President Obama has yet to raise taxes, the mounting debts his administration has created will eventually come home to roost. Further, Obama the Populist lost little time, once in office, in approving hundreds of billions of dollars in bailouts for corporations deemed too important and well-connected to fail.

And once again, like in '94, an electoral backlash appears to be brewing, fomented this time around by the Tea Party movement and the timeless urge to “throw the bums out.” A number of Tea Party candidates (like Kentucky Senate candidate Rand Paul) have all the markings of genuine constitutionalists, and the Republican Establishment is running scared. What if the party is truly taken over by people who are serious about reducing the size of government and re-enshrining the Constitution into the bargain? Such a state of affairs might lead to — heaven forfend — the abolition of the Federal Reserve system, the winding-down of regulatory bureaucracies, genuine tax reforms, and many other profound changes that would threaten the power and wealth of “Country Club Republicans” and their allies in the Democratic Party Establishment.

As if on cue, Congressional Republicans have just announced (wait for it!) the unveiling on Thursday of a brand-new Contract with America. Although the particulars will not be revealed until tomorrow, Republican leaders have informed the AFP that the platform of the new Contract with America will include “a proposal to freeze non-essential federal spending at current levels for the next two years” and “a reaffirmation of the party’s support to extend tax breaks put in place during former president George W. Bush’s first term in the White House and due to expire on December 31.”

In other words, every indication suggests that the old canard, tax cuts, will be coupled with a commitment to freeze — not reduce — non-essential federal spending for the next two years; in other words, the new Contract is designed to perpetuate the status quo (and presumably not even that in the case of supposedly essential spending). We are safe in predicting that there will be nary a word in the new Contract with America about the Constitution, and no effort to actually reduce the size of government or the amount of government spending.

After all, changes like that would be truly revolutionary.



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