



CONGRESSMAN

John J. Duncan, Jr.

Washington Report



Second District—Tennessee

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LEGISLATIVE UPDATE

✓ **National Security**

It is certainly no secret that I have spoken out in every possible way and voted against most of what the Congress has done since I have been in office. Our national debt was less than three trillion dollars when I first came to Congress. Now, it is \$17.5 trillion and headed to 25 trillion in the next 10 years. Admiral Mike Mullen, former Chairman of the Joint Chiefs of Staff, said in 2011: "I've said many times that I believe the single biggest threat to our national security is our debt, so I also believe we have every responsibility to eliminate that threat." In 2012, I was rated as the most fiscally conservative member of Congress by the National Taxpayer's Union and have always been near the top in ratings by groups that emphasize fiscal responsibility. Our federal overspending is not only a threat to our national security; it also jeopardizes the future economic well-being of our young people and the pensions of future retirees.

✓ **Unpleasant Choices**

In late March, Douglas Elmendorf, the head of the Congressional Budget Office, said this Nation has "fundamental fiscal challenges" and will soon have to face some "unpleasant" choices. The CBO is strictly non-partisan and works for both Democrats and Republicans. Speaking about Social Security and federal healthcare programs, Elmendorf said: "So we have a choice as a society to either scale back these programs relative to what is promised under current law; or to raise tax revenue above its historical average to pay for expansion of those programs; or to cut back on all other spending...." I do not believe Congress will ever vote to reduce Social Security benefits, but it will allow the printing of much more money so these pensions will buy less with each passing year. Anyone who wants to have a federal or military pension or Social Security that will buy very much should demand much more fiscal conservatism at the federal level.

✓ **Committee Work**

I have been very active in this Congress in the Oversight and Government Reform hearings on the IRS, Obamacare, waste in Afghanistan, and other topics. While some of these

investigations have been very high profile, I have also been very busy in my role as Vice Chairman of the Transportation and Infrastructure Committee. On that Committee, I also Chair two special panels. The first held hearings and made recommendations about modernizing our freight network which is so important to our overall economy. I am now Chairing another panel on public-private partnerships, because most developed nations around the world, including ours, know that we are going to have to move more in the direction of such partnerships if we are going to improve our transportation and infrastructure in the years ahead. Of course, I have always emphasized and will continue to give priority to helping individuals and families with the problems they are having with the government.

✓ **Excessive Spying**

In my last newsletter and in many speeches and interviews, I have made it very clear that I am opposed to the excessive monitoring of law-abiding U.S. citizens by any government agency. The Gallup Poll last year found that 72% of the American people view the federal government as a bigger threat to the future of the country than either big business or big labor. Sadly, a poll by the University of Southern California, taken before the revelation of large-scale, secret government surveillance, said 35% agreed with the statement that "there is no privacy, get over it." Sen. Rand Paul said a few days ago about the National Security Agency: "They wanted to do something even Congress did not know. That is not right. That is not the way a representative democracy is supposed to work." It seems that big government can rationalize or justify almost anything. When the top U.S. intelligence official was caught after it was found he lied to a Senate Committee about the monitoring and collection of millions of phone calls, he claimed he had given the "least untruthful" answer possible.

✓ **Afghanistan**

According to the Defense One news publication, the average cost of each U.S. troop in Afghanistan will nearly double to \$2.1 million. For the fiscal years 2008 to 2013, the

average cost per soldier was roughly \$1.3 million a year. The added cost according to the Pentagon is due to the expense of sending troops and equipment back home. Roger Simon, writing in one of the Capitol Hill newspapers, said: "The zero option should be a zero brainer. The zero option is a plan to leave zero troops in Afghanistan after December 2014. The other option, which has never been named, could be called 'let's break our promise to the American people and keep 10,000-16,000 troops in Afghanistan until at least 2024 at a cost of \$80 billion or so option.'" Simon wrote that the President wants to keep thousands of our troops and NATO forces there "which means that the Afghanistan War, already the longest in U.S. history at just over 12 years in duration, will stretch to an incredible 22 years at a minimum." I did not vote for a forever war in Afghanistan, especially when it is propping up one of the most corrupt governments in the world, at a cost of mega billions to U.S. taxpayers.

✓ **Afghan Helicopters**

As of last year, the Pentagon had purchased 50 helicopters from a Russian company, Rosoboronexport, for use in Afghanistan at a total cost of at least \$857 million. The Pentagon wanted to buy a total of 86, but this program was stopped because of Russia's support for Syrian President Bashar al-Assad. We should not have been buying helicopters for the Afghans in the first place, but if we were, they should have bought them from an American company. Some genius at the Pentagon decided that the Afghani pilots were already familiar with Russian helicopters and that US helicopters were more expensive. But if the Pentagon had announced they were going to buy 86 helicopters at a total cost of \$1.5 billion, they could have found some US company that would have jumped at the chance to do that.

✓ **Troop Numbers**

Many experts feel we are reducing the numbers of people in the military too low for our national security. When I went into basic training in 1971, a E1 private was paid \$78 a month. Now, military service is one of the best-paying jobs in this Country compared

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to average salaries and benefits, disregarding the ridiculous salaries paid to athletes and some movie stars and CEO's. We all want our soldiers to be well-paid. However, military salaries and benefits have gotten to a level that former defense Secretary Leon Panetta said is "unsustainable." Former Secretary Robert Gates said "health care is eating the department alive." And current Secretary Chuck Hagel said salaries and benefits are challenging the Department's allocation of resources from preparing troops for battle and buying needed equipment and meeting their health care needs at home. General James Amos, Commandant of the Marine Corps, told the Washington Post last November, that, in the Marines by 2025 or so, "98 cents of every dollar (will be) going for benefits." The problem is worse in the Marine Corps, because of its smaller budget. But Jonathan Greenert, Chief of Naval Operations, said the overall Defense Department would be at 70% on compensation in a decade. We cannot go back on promises already made to current service members and retirees. But we simply cannot afford to keep paying the salaries, pensions, and health care costs at present unless we keep reducing the numbers in the military.

✓ *Financial Trouble*

Almost every state, county, and city that has had liberal or left-wing leadership over the years is in financial trouble, with big problems ahead for taxpayers. The same day the federal government sent \$100 million more in grants to Detroit, far short of the bailout city leaders wanted, Moody's issued a report on the 50 local governments with the largest pension debt. Most had pension liabilities far in excess of total annual revenue. Chicago led the way with pension liabilities 678% of its annual revenue. Los Angeles, Houston, Jacksonville, and the Denver County School District each had pension liabilities at least four times their annual revenue. I have voted against bills making Tennessee taxpayers help bailout cities like Detroit and other cities and states in financial trouble. However, this administration has made sure that many billions in grants have gone to areas that supported the President. One of many examples was in the way multi-billions were spent in the so-called Tiger Transportation grants.

✓ *Ukraine*

The Congress has now voted to send a one billion dollar loan guarantee (which we will pay in the end) and another \$150 million in direct aid to the government of Ukraine. Several articles have said that Country needs many billions more to keep from going into default, so this is just the beginning. Most of our leaders want to prove that they are great world statesmen, so they are making all sorts of statements about how we need to do more for Ukraine. The United States should have trade and tourism and cultural and educational exchanges with other countries. We should help out to a very limited extent during hu-

manitarian crises. However, I do not believe in sending billions we do not have--that we are having to borrow--to any other country. And I especially do not want to escalate this situation into some type of very expensive military confrontation. I follow both national and international issues very closely, but I believe the first obligation of the U.S. Congress should be to the American people, and we really cannot afford to keep trying to run the whole world.

✓ *Weak Russia*

Russia is not capable of renewing the Cold War even if it wanted to. Their troop numbers are down from the 4.3 million in President Reagan's tenure to less than one million now. According to columnist Emmett Tyrrell, Russia's economy is so weak it is "hardly capable of sustaining a modern military." According to the United Nations, its population is declining from 142 million now to approximately 120 million by 2050. Its Gross Domestic Product (GDP) of barely over two trillion is less than one-seventh of ours. As Mr. Tyrrell wrote: "...and now Russia is taking on an economic basket case, Crimea. It will cost Moscow billions." Yet most of our leaders have over-reacted, and added to the five billion we have sent to Ukraine over the last several years, we are sending \$27 billion through the International Monetary Fund, almost one-fifth of which is from U.S. taxpayers. We will be spending money through several different departments and agencies, so it will be very difficult a few years from now to determine the full extent of the U.S. contribution.

✓ *President Kennedy*

In a speech at the University of Washington in 1961, President John F. Kennedy said: "In short, we must face problems which do not lend themselves to easy or quick or permanent solutions. And we must face the fact that the United States is neither omnipotent or omniscient--that we are only six percent of the world's population--that we cannot impose our will upon the other 94 percent of mankind--that we cannot right every wrong or reverse each adversity--and that therefore there cannot be an American solution to every world problem." The major differences now are that we are only four percent of the world's population and that we are almost \$17.5 trillion in debt. Anne-Marie Slaughter, who was director of policy planning at the State Department from 2009 to 2011, wrote in the Washington Post on March 26 that the U.S. "would do well to turn down its sanctimony" about Russia's annexation of Crimea. She said it "is playing into Vladimir Putin's hands," making him stronger, if we exaggerate this situation as if it were a renewal of the Cold War.

✓ *Big Banks*

A few weeks ago, George Mason University released a report saying that "since the financial crisis, US banking assets and deposits have continued to consolidate in a handful of large banks." The five largest banks now hold 44%

of U.S. banking assets compared to 23.5% in early 2000. Liberals in Congress passed the Dodd-Frank law, which I opposed, supposedly to get back at the banks that caused our most recent financial troubles. I also opposed the big bank bailout. The George Mason report also said the Dodd-Frank law is "disproportionately burdensome to small banks" and "creates a market expectation that designated firms are too big to fail." Columnist Veronique de Rugy wrote that "the number of small banks has dropped dramatically over the years" and this has been "driven by regulatory burdens that make it hard and expensive for small banks to survive." I have been told by several East Tennessee bankers that, unfortunately, their fastest-growing departments have been their regulatory compliance sections. The more any business or industry comes under federal regulation, the more it ends up being dominated by extremely big business.

✓ *Bogus Payments*

The Comptroller General recently testified in front of one of my Committees that in one year the federal government made at least \$107.7 billion in inappropriate or excessive payments. Gene Dodaro, who runs the Government Accountability Office, said only 37% of federal managers knew if one or more of their programs had been evaluated in the past five years. This report did not include the Defense Department. "Imagine beginning every month not knowing what money you have and not being able to track how much you've spent," Dodaro testified. "Yet year after year, that's where the federal government operates." This report was not fully completed, meaning that the \$107 billion was only what had been uncovered thus far. Every week, there are reports of terrible waste by the federal government, because it is simply far too big. There is waste at all levels of government, but most governmental functions should be handled locally. The people have more control over local government, and it is much less expensive than anything done by our gigantic federal bureaucracy.

✓ *Fraudulent Refunds*

Many billions are being paid each year to illegal immigrants who pay no income tax and do not have valid social security numbers. This is being done courtesy of the IRS and American taxpayers through the Earned Income Tax Credit (EITC) and the Additional Child Tax Credit (ACTC) programs. It is being done through Individual Tax Identification Numbers, most of which are issued to illegal immigrants, according to Edwin Rubenstein, President of ESR Research and former Chief Economist for the Grace Commission. Mr. Rubenstein wrote that the "IRS knowingly allows illegal aliens who claim children to get Earned Income Tax Credit cash payments of up to \$5,891 per household" and the Government Accountability Office said in 2012 roughly \$13 billion was issued improperly in 2012. An IRS study in 2011 said the other program, the ACTC, paid illegal immigrants \$4.2 billion in 2010. Mr.

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Rubenstein reported that the legislation to end this was blocked by Sen. Harry Reid, “ensuring that illegal immigrants can continue to get billions in cash payments for children who may not even exist.”

✓ **Immigration**

In February, the people of Switzerland approved a referendum that imposed restrictions on the number of foreigners allowed to live and work in their country despite an all-out opposition campaign by their leaders and the European Union. The Swiss have always been open to international trade, and 27% of its population is foreign-born. But their people wanted to keep some of their Swiss identity. No Country has allowed nearly as many millions to immigrate as has the U.S. and no other country has sent anywhere close to as much money to help other countries. But we have so many people wanting to come here, we have to have a legal, orderly system, and it has to be enforced. The current administration does not seem to want to strongly enforce our immigration laws. Ian de Silva wrote in the Washington Times: “As a naturalized American who took the trouble to immigrate legally, I consider it utterly preposterous that high officials in our federal government who should take a serious approach to immigration enforcement are instead lenient on illegal immigrants... Such leniency is particularly troubling when you consider that it discourages rank-and-file immigration officers from enforcing the law as they should.”

✓ **Rollout Warning**

According to CBS News, the White House was warned three years ahead of time that there were going to be serious problems with the rollout of Obamacare. CBS said that warnings were “specific and dire---and ignored,” and came from a trusted healthcare adviser to the Administration. David Cutter, a Harvard economics professor who worked for the President in 2008, sent a blunt memo to White House economic adviser Larry Summers in May of 2010. They could not even get the website ready to function properly three and one-half years after Congress passed the bill. The legislation was supposed to be primarily for those who did not have coverage. However, according to testimony before one of my committees, 89% of those who had signed up were people who had coverage before but had to sign because the new healthcare law caused their premiums to go up so much they could no longer afford them or their policies were cancelled. WMAL in Washington reported on March 26 that six million had lost their coverage because of the new law. The American people were promised that most people would see their premiums go down by an average of \$2500 a year, but it is hard to find people to whom this promise was actually fulfilled.

✓ **Changes & Delays**

According to the Galen Institute, as reported in the March 27 Washington Times, the healthcare law has been changed or delayed 21 times by Presidential Executive Order, 15 times by Congress in laws signed by the President, and twice by the Supreme Court. No law has ever had such a convoluted, confusing history in such a short time. Throughout most of our history, Presidential Executive Orders were used for non-controversial, administrative matters, with just a couple of major exceptions. They were never intended to be used to replace the congress or to set up some type of presidential dictatorship. Actually medical care was cheap and very affordable before the federal government basically took it over. At a reception in the mid-90s, the doctor who delivered me told me that he charged \$60 for nine months of care and the delivery. Now, Uwe Rembrandt, an expert on healthcare economics at Princeton was quoted in the March 25 Washington Post as saying that the administrative quagmire of U.S. billing...accounts for a quarter of U.S. health spending.” We certainly do not need a law that will create more paperwork and make our medical even more bureaucratic and expensive.

✓ **Global Warming**

I voted for the toughest clean air law in the world many years ago and for several other bills since then to help clean our air and water. I Co-Chair the Clean Water Caucus. However, if we did everything the radicals and extremists on environmental issues want, we would send millions more jobs to other countries, drive up prices for everything (especially utility bills) and hurt most poor and middle income people in the process. Charles Lane, a columnist for the Washington Post, said climate change is “a rich man’s issue.” Charles Krauthammer, possibly the smartest analyst on issues today, said if we shut down the entire US, it would make almost no difference on carbon emissions, because China and India are opening up coal-fired plants at a rate of almost one a week between them, and Indonesia is the third largest emitter. Paul Driessen, in a column in the Washington Times, wrote that Earth’s average temperature hasn’t increased in 17 years, Arctic sea ice is back to normal following the coldest summer in decades, Antarctic ice is at a record high, tornado frequency is the lowest on record, droughts are shorter and less extreme than during the dust bowl of the 1950’s, and four of the five snowiest winters in the northern hemisphere in the last 50 years have occurred since 2008. Over 37,000 scientists and climatologists have signed a petition stating there is “no convincing scientific evidence” of man-made global warming.

✓ **Good News**

Some environmental fanatics get very angry if you point out there is much good news about the environment and that the US has made great progress in this area over the last 30 or 40 years. The worst polluters in the world

have been the socialist and communist countries, because their economies cannot generate enough income to adequately feed, clothe, and house their people, much less do good things for the environment or bring about the progress that free enterprise produces. Patrick Moore, one of the leaders of the Greenpeace movement in the 70’s and 80’s, testified that there has been “minor warming” over the past century and that “there is no scientific proof that human emissions of carbon dioxide are the dominant cause.” He said, “I describe the climate change movement as a combination of an extreme political ideology and a religious cult all rolled into one. It’s a very, very dangerous social phenomenon. It causes them to think they have the right to dictate what we do.” The climate change movement does help a few big businesses get even bigger, and some researchers get money, but as Paul Driessen wrote: “...people worldwide are being conned into sacrificing their jobs, freedoms, health and well-being to government bureaucrats, on the altar of climate alarmism.”

✓ **Environmental Flop**

Many years ago environmentalists and some big-money interests promoted ethanol and something called the federal renewable fuel standard. This was sold as being good for the environment. Time Magazine a few years ago described it as an environmental scam. Now, a group called Feed Food Fairness says the RFS has destroyed 23 million acres of wetlands and grasslands, created oxygen-deprived “dead zones” in waterways, and caused more open space to be lost due to 15 million more acres of corn being planted to meet the mandate. It has driven up the cost of food to families and small restaurants. Feed Food Fairness is a group supported by the American Meat Institute, American Beverage Association, The National Chicken Council, the International Food Distributors, and the National Council of Chain Restaurants. Since these associations and their members have a money interest in the issue, it is fair to be skeptical about their statistics. But I do think the federal mandate has hurt many more people than it has helped and should be ended.

✓ **Student Loans**

I have been speaking out for years about how harmful the federal student loan program has been for college students and their families. Now, many others are saying the same thing. Kathleen Parker, writing in the Washington Post in January, said since 1985, the cost of higher education has increased 538%, while the consumer price index (inflation) over the same period has gone up 121%. Floyd Norris, writing in the International New York Times in mid-February, said “student loans are creating large problems that may persist for decades. They will impoverish some borrowers and serve as a drain on economic activity.” Hedge fund manager James Altucher wrote that “we’re graduating a generation of indentured students.” When I went to university, people could work part-time, as I always did, and pay all their tuition and fees. Almost no

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one got out of school with a debt. Now almost everyone does. Most universities used the student loan program as a way to tamp down opposition to tuition increases and for many years would raise these fees three or four times the rate of inflation. We should decrease loans and grants to any schools that keep raising their fees above the rate of inflation, but the very powerful higher education lobby has been able to stop any effort like this thus far.

✓ **Courage**

I was driving into my Knoxville office early one morning, and I happened to look closely at the sign of a business I have passed thousands of times. It was for the Stokes Electric Co., and in small print it said "1933." The thought occurred to me that it must have taken great courage to start a business at the height of the great depression. In fact, it takes things like courage, hope, and optimism to start any new business, and, really, these are some of the keys to what made this Country great. Freedom and a lot of hard work and long hours are necessary to make it in any small business. We frequently tell our soldiers "Thank you for your service." This is a very good thing to do. But we should also thank those who start new business, expand older ones, or keep existing business going. Almost everyone believes today that one of our greatest needs is more good jobs. Free Enterprise is what gives us the prosperous nation all of us want.

✓ **Socialist Paradise**

Too many in the current administration and in Congress seem to be trying to move the US toward some type of socialist paradise. This has not worked anyplace in the world and would be totally impossible in a country with a population as diverse as ours. We should learn from, among others, Greece and Venezuela. According to the very non-partisan National Journal, in Greece "the government borrowed

heavily and increased its spending. Public sector positions on average paid three times more than private-sector jobs. Government workers retired early, collected big pensions, and lived comfortable post-career lives." The result, according to the Journal, is 27% unemployment, a 30% decline in available income, and thousands of small businesses have closed. In Venezuela, CNN said it is now one of the most dangerous places on earth and the official inflation rate is 31.7%, although many say it is much higher, and inflation does not matter if the goods are unobtainable. One woman was quoted on NPR as saying "The things that are scarcest are actually what we need the most— flour, cooking oil, butter, milk and diapers." She said she spent the last week hunting for diapers.

✓ **The Solution**

The solution to most of our environmental, healthcare, employment, and fiscal problems is to move toward more freedom and less bureaucracy. Less regulation, at both the federal and state levels, and more free enterprise will solve many of our biggest problems. We need to make more people, young and old, realize how important private property is to both our freedom and our prosperity. Even government employees, or maybe especially government employees, should realize that this very excessive taking of private land by government takes more land off the tax rolls at the same time the police and fire departments and teachers are wanting more money. Several million college graduates or very intelligent non-college graduates cannot find good jobs because environmental extremists and government regulators have forced millions of good jobs to other countries over the last 40 or 50 years. We need a government of, by and for the people, not one that is of, by and for the bureaucrats.

Constituent Days

*Individual meetings
First come first serve*

May 2nd
9 a.m. Knox County @
South Knox Community
Center

1 p.m. Blount County @
Chilhowee View
Community Center

4 p.m. Loudon County @
Courthouse Annex Lower
Level

May 3rd
9 a.m. Jefferson County
@ Dandridge Elementary
School

May 5th
9 a.m. Grainger County @
Bean Station City Hall

1 p.m. Claiborne County @
County Courthouse

4 p.m. Campbell County @
Jellico Public Library

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Washington Report

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