

LEGISLATIVE UPDATE continued from page 7

the price of all forms of energy and has really hurt poor and lower income people.

✓ **American Empire**

The U.S. has some type of military presence—often very large—in almost every country. Conservative Columnist Charley Reese a few months ago wrote about the many problems this causes: “Americans had better get shut of their imperial delusions and fast, because we are following the path of every empire that has ever existed toward bankruptcy. Do you really want high gas prices, food rationing, health-care rationing and unbearable debt? What kind of standard of living do you think we can maintain with a collapsed education system, a broken infrastructure, a debilitated manufacturing sector and a debt-implored failed economy.... One reason we are so in debt is that the brainless in our country have been paying for the defense of Europe and Japan ever since the end of World War II.”

✓ **Global Cooling**

The National Post of Canada reported that the snow cover in much of North America, Siberia, Mongolia, and China this year was the greatest since 1966. Gilles Langis, a senior forecaster with the Canadian Ice Service, said this past Arctic winter was so severe that the ice not only recovered, it was actually 10 to 20

cm thicker in many places. Professor Oleg Sorokhtin, a fellow of the Russian Academy of Natural Sciences, said manmade climate change was a “drop in the bucket.” John Coleman, founder of the Weather Channel, called global warming “the greatest scam in history.” Richard Lindzen, a professor of meteorology at MIT, said global warming alarmists “are trumpeting catastrophes that couldn’t happen even if the models were right.” Freeman Dyson, a professor at Princeton University and one of the most eminent physicists in the world, said the models used to justify global warming are “full of fudge factors” and “do not begin to describe the real world.” And the late Dr. Frederick Seitz, a physicist and former President of the National Academy of Sciences, wrote earlier this year: “It is one thing to impose drastic measures and harsh economic penalties when an environmental problem is clear-cut and severe. It is foolish to do so when the problem is largely hypothetical and not substantiated by observations. We do not currently have any convincing evidence or observations of significant climate change from other than natural causes.” Prof. David Deming, a geophysicist, wrote in a column December 10th that “the last two years of global cooling have nearly erased 30 years of temperature increases. To the extent that global warming ever existed, it is now officially over.”

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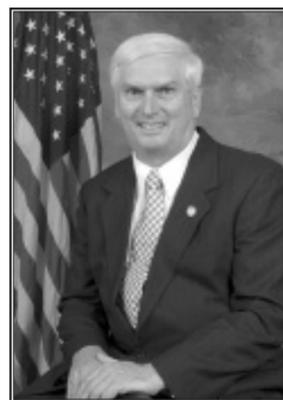
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For more information on these and other subjects before the U.S. Congress, internship opportunities, military academy nominations or help with a federal government agency, please visit Congressman Duncan's website: <http://www.house.gov/duncan/>



Second District—Tennessee

CONGRESSMAN

John J. Duncan, Jr.

Washington Report

January 2009

LEGISLATIVE UPDATE

✓ **New Congress**

The 111th Congress, which will be sworn in on January 6, 2009, will have Democratic majorities in both the House (258 to 177) and the Senate (58 to 42). Every member of Congress would prefer that his or her Party had majority control. However, I try very hard to get along with people on both sides of the aisle and most of the time we are able to help people with their problems and get things done for the District no matter which party controls Congress or the White House.

✓ **Congress Statistics**

The new congress will have an average age of 56 in the House and 63 in the Senate. There will be 77 women in the House and 17 in the Senate. There will be 92 in the House (out of 435) and 25 in the Senate (out of 100) with some military service. There will be 42 African-Americans and 28 Hispanics. There will be 152 from the legal profession in the House, 175 have a business background, while 78 come from education. In the Senate, 26 had business careers and 16 were educators. The top three religious affiliations in the House are Catholic (132), Baptist (56) and Methodist (44). In the Senate the top three are Catholic (24), Jewish (13), and Presbyterian (12).

✓ **Visitor Center**

A new Visitors Center has just been built underground at the U.S. Capitol at a cost of \$621 million. When

this was first discussed back in the 90's, the original estimate was \$40 million. However, before construction was started the estimated cost went to well over \$200 million. Now the completed cost is about two and a half times what it was supposed to be. The Center is beautiful and elaborate, but it is just very sad that the federal government always spends two or three times what it would cost state or local governments to do anything. Also, in order to increase their money and power and number of employees, the Capitol bureaucrats have made it almost impossible for any Congressional staff to give constituents a tour of the Capitol. This is a service we have always enjoyed providing for people from our District. We still hope you will come by our office for a visit when you come to Washington, and we will still assist in getting you into the new Visitors Center. Also, we will still be glad to help arrange tours of the White House and/or other major tourist sites in Washington.

✓ **Bailouts**

I wrote a lengthy letter in response to the thousands who contacted our offices in regard to the bailout of a few financial giants. This was also published in the Shopper-News, so it is not necessary to reprint all that here. Suffice it to say that among many other reasons I voted against the bailout were these: 1) Even in boom times, thousands of small businesses go under and we do not bail them

out, so it was very unfair to do what was done; 2) We had to borrow all the money and raise the national debt to 11.315 trillion, so we could not afford to do it; and 3) the legislation was rushed through, giving the Secretary of the Treasury far too much power, and giving really no time to gauge the effectiveness of many other mega-billion dollar actions that had been taken in the weeks just prior to the bailout, such as the takeover of Fannie Mae and Freddie Mac and actions on some other financial institutions by the Federal Reserve (a non-government organization).

✓ **Cheaper Alternatives**

Also, there were other less expensive alternatives that would have been more effective in helping the economy. The top officer of the BB&T Banking Chain, headquartered in North Carolina, wrote every member of the House and Senate, with 14 points against the bailout. He said it was unfair to make healthy banks pay for the mistakes of bad or reckless banks. He added that simply giving everyone who would buy or build a house (whether a first home, second home, or whatever) a large tax credit would have done much more to help the economy and realtors and homebuilders and others at a much, much lower cost. However, it is almost impossible to get the federal government to do anything in a simple, economical way.

Congress of the United States
House of Representatives
Washington, DC 20515
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Tennessee

John J. Duncan, Jr.
PRSRT STD M.C.

Washington Report

✓ Dangerous Precedent

I joined 30 of my colleagues in the House in writing Secretary Paulson and Chairman Bernanke just before the first big bailout votes “to express our deep concerns over the increasing propensity, size and frequency of government interventions to prop up failing private sector companies. These bailouts have set a dangerous and unmistakable precedent for the federal government both to be looked to and indeed relied upon to save private sector companies from the consequences of their poor economic decisions.” I wish the government could wave a magic wand and get us out of our present economic problems. Unfortunately, it has been proven all over the world that the quickest way out of economic difficulties is to let the free market work.

✓ Rush Job

Anyone who voted for the big bailout voted for a bill that was rushed through without any hearings, committee markups, or even a chance to offer amendments – in other words, without going through the normal legislative process. Now, most local business people say they have not seen the unfreezing of the credit markets this legislation was supposed to produce. Worst of all, three weeks after getting \$15 billion from the Treasury Department, the Bank of America used \$7 billion to increase its investment in the China Construction Bank Corp. Liberals have always opposed putting America first, but this is ridiculous.

✓ Auto Bailout

No one wants to see the U.S. automobile industry go under. However, almost everyone who has spoken to me about this has asked things like “Where is the money coming from?” and “Where do all these bailouts stop?” We cannot even really afford to do what we have already done. And without major concessions by the union and especially by the retirees, almost nothing is going to

work anyway. General Motors, for example, according to one report, has about 780,000 retirees, about three times as many employees as it has. Without major concessions, we would be making even lower income people pay for salaries and health and retirement benefits that every analysis says are really unaffordable. As Washington Post columnist Robert Samuelson wrote: “The bailout should be more than union welfare.” A court-ordered reorganization is probably the only way to save these companies. The Congress has the power to do the same things the courts could do but the votes are simply not there to require the unpopular steps that would be necessary to turn these companies around.

✓ Air Marshals

The federal government always seems to overreact to any well-publicized problem. The Air Marshal program is a prime example. Before 9/11, this was a force with 33 agents. Now, it has over 4,000. USA Today reported that its last-known budget was \$786 million, but it is probably much higher. Some of its information is classified but really should not be. According to reporter Michael Grabell, 18 air marshals have been charged with felonies, and many more have been arrested for other minor crimes. One marshal killed a man who he mistakenly thought was a terrorist. This is a useless, totally needless agency. It is a complete waste of taxpayer money. Yet once a federal agency is created, it is almost impossible even to decrease funding, much less to do away with it altogether. One former member of Congress said we really did all we needed to do on aviation security when we secured the cockpit doors. This one inexpensive move took away the ability to use planes as they were used on 9/11.

✓ Safer Nation

Actually, we could spend far less on homeland security and have a far

safer nation if we would just adopt a more neutral, non-interventionist foreign policy all over the world, but especially in the Middle East. In 2000, then Gov. Bush said other nations would perceive us based on our foreign policy: “If we’re an arrogant nation, they’ll resent us. If we’re a humble nation but strong, they’ll welcome us.” He said “We can help build coalitions, but we can’t put our troops all around the world.” During our most recent wars practically all of the funding has come from the U.S. Then Gov. Bush said he was opposed to nation-building, and that use of military “needs to be in our vital interest; the mission needs to be clear and the exit strategy obvious.” If President Bush had followed this policy, our Nation would have been safer, our economy stronger, and he would be much more popular.

✓ World Statesman

Too many of our presidents and top foreign policy advisers, from both parties, seem to want to go down in history as great world statesmen and be seen as new Churchills. We need national leaders with more humility and should never be anxious to go to war. Evan Thomas of Newsweek wrote this past summer that leaders “have gone to extraordinary lengths to be seen as Churchill, not Chamberlain.” Chamberlain was the British Prime Minister who signed a peace agreement with Hitler in Munich in the 1930s. Mr. Thomas wrote that, “It is important to understand why the Munich analogy is almost necessarily flawed. In the 1990s, President George H.W. Bush compared Iraq’s Saddam Hussein to Hitler and President Bill Clinton’s Secretary of State, Madeleine Albright, argued that allowing Serbian strongman Slobodan Milosevic to commit genocide in the Balkans was to invite ‘another Munich.’ But the only real Hitler was Hitler. Saddam and Milosevic were murderers, but at most local menaces.”

✓ Farm Bill

Unfortunately, the Congress overrode the President’s veto of a \$307 billion farm bill, which one major think tank described as “historically bloated.” Actually, the bill could probably be more accurately referred to as the extra welfare bill, since two-thirds of it goes for food stamps and related programs. The Scripps Howard News Service editorialized: “The farm bill’s failings have been well documented. It is hugely expensive; it benefits wealthy farmers and agribusinesses already profiting from record-high farm prices. It extends subsidies into new areas, and it further distorts markets by diverting heavily-subsidized sugar into heavily-subsidized ethanol production for example.” Many reports have now said that our over-emphasis on ethanol has led to higher prices, food shortages and even riots and starvation in some places around the world.

✓ Tax Deductions

The six largest tax deductions, in billions, are 1) Health Exclusion, \$116.8; Retirement/Benefits, \$89.8; Home Mortgages \$67.0; Earned Income Credit, \$48.6; State and Local Taxes, \$48.0; and Charitable Contributions, \$44.3. We have the most confusing, complicated, convoluted tax system. It has so many thousands of pages of fine print that no human being can really understand or know it all. Almost any system would be better than what we have now, but there is probably no chance to drastically reform and simplify our tax code. Too many very powerful and organized groups, individuals, charities, and so forth benefit from the system we now have.

✓ Tolerance

Some people who proclaim to be tolerant of others’ views and beliefs seem to be tolerant only for those who have very liberal-left opinions. Alexandra Petri, a student at Harvard, wrote in her campus newspa-

per, that if you “enjoy being yelled at” or “stared at incredulously” just admit to being a conservative at Harvard. She wrote that “Harvard prides itself on its diversity” but really “remains intellectually segregated.” This is because of an “assumption that to be intelligent is to be left of center implies that anyone who disagrees is either confused or has recently experienced some sort of intellectually damaging event, like walking into a post.” Columnist Thomas Howell put a similar thought this way: “The essence of bigotry is refusing to others the rights that you demand for yourself.”

✓ Too Many

Politicians love to create or expand parks, but we have so many federal, state and local parks now we are having trouble coming up with funds to take care of them. Also, unless all our people somehow find a way to go on permanent vacations, we cannot really use as many as we have. I am not saying we should close any (although some probably should be); I am just saying enough is enough. But the more significant problem is that if we keep taking more and more land off the tax rolls, we are going to make it even more difficult to support teachers, firefighters, police, and others.

✓ Private Sector

Too many people seem to think the only way to solve any problem is through some sort of federal program. This is certainly not what our Founding Fathers envisioned. They tried to establish a very small central government with very limited powers. Most of our problems are solved much more quickly, efficiently and economically by the private sector. Most of what we consider to be the good life is produced by the private sector. There is waste in the private sector, but it pales in comparison to the waste in government. Thus, every dollar that can be kept away from government

and left in private hands will do more to create jobs and keep prices low. A private business that continually wastes even small amounts of money or that continually unjustifiably raises prices will go out of business. There are just not those same pressures to do more and do better at less cost in a gigantic, bureaucratic national government.

✓ Energy Prices

The only reason gas prices seem low now is that they are down from the ridiculous highs of a few months ago. However, you can rest assured that they will go way back up unless our whole economy shuts down. John Podesta, one of President-Elect Obama’s top advisors, has already announced that one of the new administration’s first actions will be to issue an executive order locking up huge areas from oil and gas development. This is a payoff to wealthy environmental extremists. Environmental radicals have forced millions of good jobs to go to other countries and have caused delays and huge cost increases on all of our major infrastructure projects. Rep. Gene Taylor (D-MS) pointed out at a conference in early December that the Oil Pollution Act of 1990 had brought about changes (such as better platforms, double hulls on oil tankers, etc.) that have prevented any oil spillage even during major hurricanes. I voted for that bill and much other environmental legislation. But we need some balance and common sense in this area, not extremism. We can do all forms of energy production today in safer and cleaner ways than we could have even 20 or 25 years ago. But if we are ever going to recover economically, we need to be encouraging more energy production of all types rather than restricting it. Overly strict enforcement of environmental rules and regulations has already destroyed many small and even medium sized businesses. It has pretty much limited coal, timber, natural gas and oil production to the big giants. This has driven up

LEGISLATIVE UPDATE continued from page 3

That means they must always say the sky is falling....ANWR is a precious cause for them because it can be portrayed dishonestly as a national treasure...."

✓ **Crime Problem**

I spent the last 7 years before coming to Congress as a Criminal Court Judge in Knox County. On my first day as Judge, I was told that 98% of the defendants in felony cases come from "broken homes." I went through well over 10,000 cases in that position, since most people in Criminal Court plead guilty and apply for probation. It turned out to be more accurate that over 90% of defendants in felony cases came from father-absent households. Of course many good people come from such homes, but we need to do a much better job educating young people about the consequences of out-of-wedlock births. Now just under 40% of all births, 80% of teen births, and 60% of births to early twenty-somethings are out of wedlock. We need to tell young women over and over that if they get pregnant while very young, the odds are great that they and their child will live in poverty. We need to tell young men over and over if they do not help raise a child they father, they are probably dooming that child to a life of crime. Drugs and alcohol cause most crimes, but usually are secondary to the father absent household problem.

✓ **Declining Population**

The National Journal reported recently that 2/3 of the counties in the U.S. are losing population. Rep. Marion Berry (D-AR) told me a few months ago that he now represents 26 counties and that his area had been depopulating since World War II. He said he had to drive 50 miles to the nearest large grocery store and 100 miles to the nearest multi-screen movie theater. This is happening all over the country except in counties that touch on urban or metropolitan areas. Our area has become one of

the most popular places to move to in the Nation, and last year I chaired a conference in Knoxville on growth that was attended by over 700 community leaders from this part of East Tennessee. Many people do not want any growth, but you have to have some growth to have a good economy and have jobs for young people when they finish school. Also, if we keep putting more and more land off limits for homes, we will eventually make it almost impossible for any but wealthy young people to buy or build homes. I have asked one of my staffers to work on a bill to provide incentives for people to build homes in counties that are losing population. This would help in several different ways.

✓ **Foreign Aid**

Because those who favor foreign aid found out years ago that it was very unpopular, most of our aid is now done through the Defense Department. However, almost every federal department or agency spends big money in other countries so they can feel more important and powerful and have larger budgets. We are spending many billions in this way each year. The problem is that we are borrowing much of this money. Anyone who opposes this wasteful spending is looked down upon and labeled as an "isolationist." Yet we could have trade and tourism, and cultural and educational exchanges, and help out during humanitarian crises without spending several hundred billions each year that we do not have. The U.S. is the most generous nation in the world. Unfortunately, sometimes we are too generous for our own good.

✓ **Foreign Policy**

Most of our spending in other countries has done us very little good because we have also taken sides and intervened in far too many religious, ethnic, and political disputes around the world. A very good and detailed example of this is in a nationwide best-seller by New York Times re-

porter Stephen Kinzer called *All the Shah's Men*. Conservative syndicated columnist Steve Chapman summed it up best in this way: "If there has been a flaw in U.S. foreign policy in recent years, it has not been an excess of disengagement, but the opposite: an irrepressible urge to use force for purposes that do not enhance our security but expose us to needless risk. The result has been that we find ourselves with more enemies, weakened influence, higher costs, greater strains on our military and less safety. After the Iraq debacle, you would think our leaders would be willing to undertake a fundamental examination of the long established and broad-based folly that made it possible. Not a chance."

✓ **Foreign Debt**

A huge chunk of the debt issued by Fannie Mae and Freddie Mac, our two mortgage giants, is owned by foreign governments, their central banks, and their citizens. The total comes to about one trillion, five hundred billion, an astounding, incomprehensible figure. The three largest are China (\$376 billion), Japan (\$228 billion), and Russia (\$75 billion). Peter Costello, the longest-serving treasurer in Australia's history, was quoted in the *Washington Times* as saying, "We now know who has the risk: the American taxpayer." At the same time, some major U.S. banks may only recover a small portion of their investments in the two firms. Brad Setzer of the Council on Foreign Relations, a very liberal organization which would, I am sure, favor taking care of foreigners first, said: "I suspect this is the first case where foreign central banks exercised their leverage as creditors to push the U.S. government to make a policy decision that protected their interests."

✓ **Mortgage Mess**

All the financial bailouts came about primarily because the federal government got directly and indirectly in the mortgage business. The direct

LEGISLATIVE UPDATE continued from page 4

involvement was primarily through the Federal National Mortgage Company (Fannie Mae), a program started during the New Deal, but operated in a fiscally reckless way more in recent years. The indirect involvement was by federal bank examiners putting pressure on banks, through the Community Reinvestment Act, to make loans to people who could not afford them in areas in which they really did not want to lend. There was also pressure from lawmakers. Rep. Barney Frank (D-MA) said at a hearing in 2003: "These two entities—Fannie Mae and Freddie Mac—are not facing any kind of financial crisis. The more people exaggerate these problems, the more pressure there is on these companies and the less we will see in terms of affordable housing." On October 26, 2005, I voted for an amendment to allow stronger regulatory action against Fannie Mae and Freddie Mac. Unfortunately, only 73 House members voted to rein them in. James Lockhart, Director of the Federal Housing Finance Agency, said at a recent hearing the bailout could have been avoided if his agency had been given stronger authority over actions by Fannie and Freddie.

✓ **Weaker Version**

The House did pass a weaker version of this amendment on the same day, which I also voted for, but it was never passed by the Senate. Professor Charles Calomiris of Columbia, and Peter Wallison, former General Counsel of the Treasury Department, wrote in the *Wall Street Journal*: "If the Democrats had let the 2005 legislation come to a vote, the huge growth in the subprime...portfolios of Fannie and Freddie could not have occurred, and the scale of the financial meltdown would have been substantially less. The same politicians who today decry the lack of intervention to stop excess risk-taking in 2005-2006 were the ones who blocked the only legislative effort that could have stopped it."

✓ **Interest Payments**

Interest on the national debt in fiscal 2008 came to \$431 billion, or a little over \$1400 for every man, woman and child in the U.S. For fiscal 2009, the Congress voted to raise the national debt limit to 11 trillion, 315 billion, a figure too large for anyone to even comprehend. Because of all the bailouts (and because even before the last Congress was the biggest spending one ever) we have been told that the deficit for next year will be over one trillion dollars. We are spending money that we do not have and will not be able to pay all the things we have promised our own people in just a few years.

✓ **IRS Data**

The latest statistics from the Internal Revenue Service show that the top one percent wealthiest people pay 40% of federal income taxes collected. The top 25%—those with incomes over \$64,702—paid 86.3% of federal income taxes. A person (or couple filing jointly) is in the top one percent with an income of \$388,806 and above and in the top five percent with income of \$153,542 or above. Over 43,000,000 tax returns with positive income got back all money and several million received back more than they had paid in through the Earned Income Tax Credit. This credit was started by President Nixon as a way to encourage people to get off welfare by rewarding those willing to take even low income jobs.

✓ **Medical Costs**

President Reagan frequently said that government is not the solution, government is the problem. Nowhere can this be seen more clearly than in the cost of medical care. Until the federal government got involved, medical care was cheap and affordable for almost everyone. Then the government turned over the years what had been a very minor problem for a very few people into a major problem for almost everyone. There seems to be a pattern of the federal government getting involved

to try to solve some minor problem; then people start gaming the system and getting rich; costs explode, and then the only solution people can see is for the government to take it all over. James K. Glassman wrote in *U.S. News and World Report*: "One reason health care costs have been rising so much faster than inflation for so long is that we don't pay for health care the way we pay for everything else....We're removed from the buying process so we have less incentive to be frugal, to shop around, or even to pass up medical care altogether when we probably don't need it. Suppose your employer gave you 'food insurance' that reimbursed you for all your groceries. Would you search out bargains in hamburger, or simply grab the best steaks without looking at the price? Sensible insurance should shield you from catastrophes but not routine wear and tear (you expect your homeowner's insurance to protect you against a tornado, not a torn window screen)." Total spending on Medicare, for example, has risen from \$224.3 billion in 2000 to about \$434.1 billion in 2007, an increase of 93%, or more than three times the rate of inflation.

✓ **Medical Savings**

Dr. Glassman and many others believe the only hope to keep from going to a totally government-run system (with declining quality, delays, and increasing costs) would be medical savings accounts. These accounts were first made legal in 2004 and have grown in popularity with now over 6.4 million in effect. However, the majority party wants to severely limit or do away with these MSAs so we will eventually be forced into government care, which is almost always called by the harmless-sounding name of "single-payer system". A medical savings account system would put medical care back between the doctor and the patient. It could be supplemented by a medical voucher for those who could not afford a medical earnings account. To qualify for a voucher, a person

LEGISLATIVE UPDATE continued from page 5

would have to get a yearly checkup and then it would operate very much the same way as an MSA. Experts predict that we will soon be at 20% of our GDP on medical costs. Our present government programs have caused costs to explode, while allowing a few to get rich at the expense of the rest of us.

✓ College Tuition

The same thing has happened on college tuition as on medical expenses. Gasps sometimes run through college and university audiences when I tell them the tuition my first year at UT was only \$90 a quarter (\$270 for the school year). Since the federal student loan program started, college tuition and fees have gone up three or four or five times the rate of inflation every year, varying from school to school. So now the costs are probably at least triple what they would have been if this "compassionate" government program had never been started. Now, millions of young people are graduating with very big debts. Before the loan program started, students could work part time and easily pay for their books and tuition and no one left school deeply in debt because of college costs. Another thing that has driven up the cost of higher education is that many professors at large universities have apparently grown tired of teaching classes, so they claim to be doing "research and writing" and spend almost no time in the classroom.

✓ Health Insurance

Two major factors in causing health insurance to be too expensive are the prohibition against interstate purchase of insurance and government mandates for specific types of coverage. A study by two health economists at the University of Minnesota said at least 11,000,000 presently-uninsured people could afford coverage if certain individuals and small employers were not prohibited from buying health insurance outside their home states. Also, many people have

pointed out that when all types of medical interest groups get state or national laws mandating that their type of service be covered by insurance, it drives the costs up and forces more people into the ranks of the uninsured. Some states have more than 40 types of mandated coverage.

✓ Military Careers

In part because of our economic problems, people are finding that careers in the military pay more than most jobs in the private sector. When you add to the pay, the food, housing, clothing, medical, dental, and retirement benefits, jobs in our armed forces are some of the best available today. However, it may be that we will not be able to keep increasing the pay and benefits as fast as we have over the last 20 years. Sen. Daniel Inouye (D-HA), a hero of World War II, pointed out that according to the GAO, the cost of pay, benefits, and health care equates to \$126,000 per soldier. Sen. Inouye then said: "My question is: Is the cost of maintaining an all-volunteer force becoming unsustainable?"

✓ Money Pit

Despite the fact that you are hundreds of times more likely to be killed in a car wreck or even struck by lightning, we keep increasing spending on homeland security far beyond any sensible levels. We cannot make this country 100% safe even if we spent the entire federal budget on security. Ian Lustick, a professor at the University of Pennsylvania, recently wrote about the War on Terror money feeding frenzy: "Nearly seven years after September 11, 2001, what accounts for the vast discrepancy between the terrorist threat facing America and the scale of our response? Why, absent any evidence of a serious domestic terror threat, is the War on Terror so enormous, so all encompassing, and still expanding? The fundamental answer is that al Qaeda's most important accomplishment was not to hijack our planes, but to hijack our

political system. For a multitude of politicians, interest groups, professional associations, corporations, media organizations, universities, local and state governments and federal agency officials, the War on Terror is now a major profit center, a funding bonanza, and a set of slogans and sound bites to be inserted into budget, project, grant and contract proposals. For the country as a whole, however, it has become a maelstrom of waste..." Professor Lustick pointed out that even Dunkin' Donuts franchises had received \$22,000,000 in federal counterterrorism loans.

✓ Old Story

A former staffer recently sent me a story I had forgotten all about from the August 23, 1990 issue of the Knoxville News-Sentinel. This was during what the paper then called the "Kuwait Crisis." The lead paragraph said that I favored "more offshore oil drilling as a way to make the United States less dependent on foreign oil." The story said: "Duncan said consumers can protest higher oil prices by conserving." It reported that I "favored expanding offshore oil drilling in 'environmentally safe' areas and to do more exploration in Alaska." I was quoted as saying "With an offshore oil rig it's almost unheard of to have a problem. It would help hold down the price of oil and decrease the risk and the price of these oil spills." If we had done more exploration and drilling in the 90s, our economy would never have been hit with the oil shock and gas prices of the last few years. Columnist Charles Krauthammer recently pointed out that U.S. crude oil production has fallen 40% in the last 25 years and that 75 billion barrels of oil have been put off limits by our government — enough for "nearly a quarter century of energy independence. The situation is absurd," he wrote.

LEGISLATIVE UPDATE continued from page 2

Very few cities have a veterans' memorial nearly as nice as the new East Tennessee memorial in Knoxville. We were pleased to have obtained \$450,000 to help towards its construction. I hope everyone will visit this memorial at some point and take a young person with them.

✓ Defense Spending

The Government Accountability Office recently issued a report saying the Pentagon had cost overruns totaling a mind-boggling \$295 billion on just 72 of its largest weapons systems. This did not even count all the cost overruns on its thousands of other large, medium and small contracts. National defense is one of the most important and most legitimate functions of our federal government, and I have great respect for those who serve or have served in the military. Both sides of the aisle are afraid to criticize the Pentagon or vote against any defense spending, no matter how high, for fear of appearing to be unpatriotic. However, it really is unpatriotic to never question or oppose unbelievably wasteful spending just because it is being done by the Defense Department. We are now spending more on defense than all other nations combined, and those who believe in world government are seeing it in action thought this Department.

✓ Pentagon Bailout

Because it is so unpopular today to criticize even wasteful spending by the Defense Department, a Dec. 1 column by Vice Admiral Jack Shanahan was almost amazing. Admiral Shanahan is the former commander of the U.S. Second Fleet. He wrote: "Our government is sinking \$700

billion in taxpayer dollars into a system riddled with waste, and often incapable of tracking where the money goes. No, I'm not talking about Wall Street. The teetering enterprise in question is actually the Pentagon. The U.S. defense establishment is in dire need of a rescue. But unlike Wall Street, where we threw billions of dollars at the problem, a Pentagon bailout requires taking money away—and fast." The only thing I would add is that we are spending more than \$700 billion a year now when you count not only the regular appropriation, but also emergency, supplemental and omnibus appropriations, and military construction appropriations, which are all in separate bills.

✓ One Example

Admiral Shanahan said the Defense Department's "culture of easy money and no accountability eventually endangers us all." One of many examples of this culture could be seen in the Pentagon's cost overrun in the Armed Reconnaissance Helicopter Program. This contract was finally cancelled Oct. 16 after the per unit cost went 43% over budget. The result: \$5,000,000,000.00 spent, 0 (zero) helicopters produced.

✓ Sweetheart Deals

The main reason that defense costs have exploded so much in recent

years is that almost all federal contracts—defense and non-defense—are sweetheart, insider deals given to firms that employ former government employees. A GAO study found that in 2006, 52 contractors employed 2,435 former generals, admirals and high-ranking Defense Department employees. Two-thirds were hired by SAIC, Northrop Grumman, Lockheed-Martin, Booz Allen Hamilton, L3 Communications, General Dynamics, and Raytheon. This is also why there is so much pressure to keep expanding the mission of the Defense Department from one of national defense to doing anything and everything around the world. It is all more about money and power than it is about real threats to the U.S.

✓ Big Money

Almost all interest groups and federal agencies greatly exaggerate the problems with which they are dealing so they can get more money and power. Moderate commentator Michael Barone pointed this out in regard to energy: "Lobbyists and litigators for environmental restriction groups have produced energy policies that I suspect future generations will regard as lunatic. We haven't built a new nuclear plant for 30 years, since a Jane Fonda movie exaggerated their dangers. We have allowed states to ban oil drilling on the Outer Continental Shelf, prompted by a failure of 40-or 50-year old technology in Santa Barbara, California in 1969, though current technology is much better as shown by a lack of oil spills in waters off Louisiana and Mississippi during Hurricane Katrina. We have banned oil drilling on a very small portion of the Arctic National Wildlife Refuge that is godforsaken tundra for fear of disturbing a herd of caribou—a species of hooved animals in no way endangered or scarce. The ANWR ban is the work of environmental restriction groups that depend on direct-mail fundraising to pay their bills and keep their jobs.