

Congress of the United States
Washington, DC 20515

December 5, 2003

The Honorable J. Dennis Hastert
Speaker of the House
H232 Capitol
Washington, D.C. 20515

Dear Mr. Speaker:

We are writing to express our concern regarding the spending levels in the omnibus appropriations bill, H.R. 2673, and to urge you to take immediate and meaningful steps to restrain federal spending. We believe that unless Congress takes serious steps to reduce spending future generations will be faced with an unmanageable mountain of debt.

We specifically request that H.R. 2673 include a measure to prepare Congress and the nation for the difficult, but unavoidable, task of restraining federal spending. We believe Representative Kevin Brady's bill, "Abolishment of Obsolete Agencies and Federal Sunset Act of 2003" (H.R. 1227) would be a suitable template for this effort. In our opinion, ample precedent exists to place such an important item in the omnibus, even at such a late date. However, if you do not believe this is feasible, we would request that H.R. 1227 be brought up as the first order of business next year.

As you know, twenty years ago the Grace Commission, formed through a directive from President Reagan, concluded that one-third of the American public's tax dollars are squandered through waste and inefficiency. Yet, regrettably, with the exception of a rescission package passed during the first year of our majority, we do not believe that Congress has followed through with efforts to reduce waste and inefficiency in the federal government.

In fact, the previous four years have seen the largest expansion of the federal government in 50 years. Federal spending per household is now at its highest level since World War II. Government spending has increased by an average of 7.8 percent per year since 1998, almost three times the rate of inflation. Finally, since September 11, nondefense discretionary spending has increased by an astonishing 27 percent. This trend is deeply troubling and stands in sharp contrast to the fiscal restraint Congress displayed during World War II and the Korean War, when, as former Office of Management and Budget Director Mitch Daniels has noted, nondefense spending was reduced by more than 20 percent.

As a consequence of these spending increases, the CBO has estimated that the nation's debt will increase by \$1.4 trillion over the next decade. Other analysts have predicted a \$5 trillion increase in our debt over the next ten years. The Medicare expansion bill will add to this burden. The CBO has estimated that in its second decade the cost of the Medicare bill will soar to \$2 trillion. Because the long-term costs of entitlements are notoriously difficult to predict, we are concerned that the true impact of the recent Medicare expansion on the nation's debt could be

much more severe. Compounding this problem is the impending bankruptcy of Medicare and Social Security, which will add a staggering level of debt on future generations. According to the American Enterprise Institute, at the end of fiscal year 2002 Social Security and Medicare faced a long-term fiscal imbalance of \$44 trillion.

Analysts, policymakers and constituents from all sides recognize that our present course is unsustainable. As President Bush's fiscal year 2002 budget stated, "This pattern cannot long continue without jeopardizing our Nation's long-term goals."

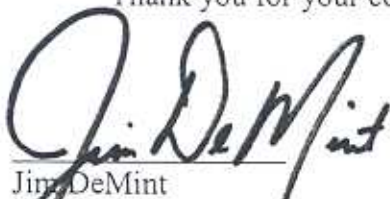
Before we pass another massive appropriations bill we believe Congress must make preparations to put our fiscal house in order. If Congress is not prepared to take steps to reduce spending we would hope that President Bush would consider vetoing this year's omnibus bill.

We do recognize the political and practical challenges of leading an effort to reduce spending. Too often, good faith efforts to reduce spending and the burden of debt on future generations are blocked by demagogues who are adept at acknowledging the spending problem while avoiding the responsibility of offering specific solutions. Nevertheless, as the majority party, we do not have the luxury of delaying tough decisions and practicing the politics of instant gratification. Our failure to initiate an effort to reduce spending only gives our critics safe haven to attack our policies without offering solutions of their own. If some believe that the federal government is operating at peak efficiency and that the only way to combat rising deficits is through raising taxes on working Americans, let them disagree and make that case.

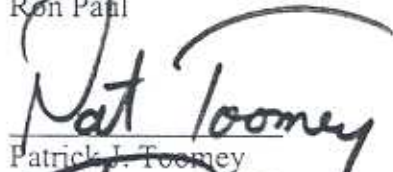
The enthusiasm, determination and political pressure that has so often been marshaled to increase the size of government in Congress must, at some point, be marshaled to reduce the size of government. Unless we are prepared to raise taxes, our party has no other option.

Thank you for your consideration. We look forward to your response.

Sincerely,

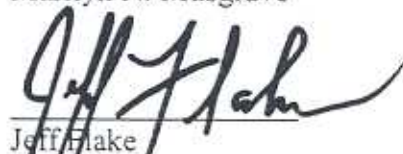

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