



CONGRESSMAN

John J. Duncan, Jr.

Washington Report



Second District—Tennessee

September 2013

LEGISLATIVE UPDATE

✓ **Budget Cuts**

The budgets for my offices in Washington and in the District have been cut the last three years. Thus, I have had to reduce all expenses, including both full and part-time employees. That is also why this newsletter is shorter than any others I have sent out over the years. I have voted for those cuts, because I believe we need to reduce all federal spending. I have always tried to operate my offices as frugally as possible. Since coming to Congress, I have returned over two million dollars to the Treasury by operating under our allowed budget. I will be placing items that I formerly put in newsletters on my website, which I hope you will visit from time to time. The website can be found on the internet at <http://www.duncan.house.gov>.

✓ **Huge Deficits**

The federal deficit for the fiscal year ending on Sept. 30 is expected to be \$642 billion. While this is down from the trillion dollar deficits of the last few years, it is still far too high. Our national debt is now an incomprehensible \$17 trillion and is expected to rise even faster in the years ahead as more baby boomers retire. The non-partisan Congressional Budget Office recently estimated that interest on our debt will go from approximately \$224 billion this year to \$857 billion ten years from now. If they are close to being right, we then would be able to pay only Social Security and other federal pensions, Medicare, Medicaid, and interest on the national debt. The only way to pay for the rest of the government would be through a combination of huge tax increases and massively inflating the currency.

✓ **Immigration**

I have read and heard several times that half the people of the world have to get by on \$2.00 or less a day. The U.S. is, by far, the most generous nation in the world, and almost every American I am sure sympathizes with people that have to live under terrible conditions in other countries. But no other nation has anywhere even close to the mega-millions that would come here if we simply opened our borders. And our entire infrastructure, our roads, sewers, schools, jails, hospitals, etc. etc. simply could not handle a rapid influx of many millions of people. Thus, we are forced to have a legal, orderly system of immigration, and it must be enforced. We already allow about 1.1 million to legally immigrate here each year, and have done so for many years. We also allow about 3.3 million to legally come here on work or other temporary visas. The estimates of those here illegally range usually from 11 to 20 million. The 1986 Simpson Mazzoli Immigration Reform Act did not work as promised, and the problem just grew worse. We do not need to repeat those mistakes. I believe that we should enforce our existing laws and especially make sure that our borders are secure first. It has been said that if you do not have borders you do not have a country.

✓ **Internet Tax**

On most bills I am pretty certain about how I should vote. However, one bill I have very mixed feelings about is a bill called the Marketplace Fairness Act, which would require collection of state sales taxes on all internet purchases. I first thought it was unfair to give large out-of-state companies selling on the internet nationwide an advantage over local small businesses. As it turned

out, this has become a battle primarily between big businesses on both sides – big chain stores and large mall owners in favor of the bill and big, fast-growing internet sellers opposed. Of course there are many small businesses on both sides of this issue. On the one hand, states say the taxes are already supposed to be paid and it is illegal to avoid them. And they say states will have to raise other taxes if they are unable to get the sales taxes from internet purchases. On the other hand, most people feel they are taxed too much already when counting taxes of all types. And, the most wasteful, inefficient way to spend money is to turn it over to the government, and it will help create more jobs to keep more money in private hands. I hope many of my constituents will contact our offices to give their opinion on this legislation.

✓ **Healthcare**

The more we can learn about the so-called Affordable Care Act, the worse it gets. It should be called the Unaffordable Care Act, since cost estimates are already double or triple the estimated cost when it was passed, and federal health plans have always been low-balled on the front end. According to the non-partisan Congressional Research Service (CRS), Medicare was supposed to cost about \$12 billion after 25 years. Instead, CRS reports that it cost almost 10 times that much and this year will cost over \$600 billion. Premiums are going way up for most people in preparation for the requirements of the new law. The Associated Press reported on August 8 that “one casualty of the new health care law may be paid coverage for families of people who work for small businesses.” Employers are either not hiring as many workers as they ordinarily

LEGISLATIVE UPDATE continued from page 1

ly would, with many trying to stay under 50 employees, so as not to be hit by the new laws, or switching people to part-time work. The State of Virginia notified 10,000 part-time workers they would not be allowed to go over 30 hours a week, and some have said the new norm all over the country is two 20-hour-a-week jobs. One leading supporter of the Act was famously quoted as saying we would have to pass the law before we could find out what was in it.

✓ **Medicare Cuts**

We have helped many people with Medicare and Medicaid problems, and no one wants to see anyone denied medical care. However, it is wrong to say that Medicare or Medicaid cannot be cut. First, there is tremendous waste, fraud and abuse in these programs. Secondly, more significantly, some people and companies have become rich off of these two programs. The administrators of Medicare and Medicaid need to crack down on those who are turning them into monetary bonanzas. One place to start is in the huge discrepancies in charges by hospitals. A May 8 New York Times article reported that one hospital in Dallas billed Medicare \$160,832 for lower joint replacements, while another just five miles away and on the same street billed the government an average fee of \$42,632. Two hospitals in New York City varied by 321% what they charged for complicated asthma treatment, one billing an average of \$34,310, while the other charged, on average, \$8,159. Columnist Charles Lane, of the Washington Post, wrote that Medicare reimburses power-wheelchair suppliers between \$4,000 to \$5,000 for a basic chair that costs the supplier \$700 and retails for \$2,500.

✓ **Ike's Bluff**

With the exception of a brief downturn in 1958, President Eisenhower gave the Nation eight years of peace and prosperity, and balanced budgets, and looks better with the passage of time. He spent most of his career in the military and loved and respected that institution. But in a new book called *Ike's Bluff*, by Evan Thomas, is this very interesting observation: "Eisenhower was, in effect, his own secretary of defense. When Defense Secretary Neil McElroy warned him that further budget cuts could harm national security, Eisenhower acerbically replied, "If you go to any military installation in the world where the American

flag is flying and tell the commander that Ike says he'll give him an extra star for his shoulder if he cuts his budget, there'll be such a rush to cut costs that you'll have to get out of the way." He would periodically sigh to Andy Goodpaster, "God help the Nation when it has a President who doesn't know as much about the military as I do."

✓ **Security Profiteering**

President Eisenhower many years ago warned the Nation against what he called the military-industrial complex. Now we have a security-industrial complex, too. It is now estimated that security spending is over one trillion dollars a year, counting federal spending and what state and local governments and private businesses are required to do. We do need some security spending, but the threats have been greatly exaggerated by people whose income depend on it and companies which profit from it. Ted Koppel, former Nightline host, wrote in the Wall Street Journal on Aug. 7: "At home, the U.S. has constructed an antiterrorism enterprise so immense, so costly and so inexorably interwoven with the defense establishment, police, and intelligence agencies, communications systems, and with social media, travel networks and their attendant security apparatus, that the idea of downsizing, let alone disbanding such a construct, is an exercise in futility." He said many more Americans will be killed in car crashes or even falling off ladders than by terrorists. We need to come to our senses in this area and stop automatically approving spending just because it is supposedly for security.

✓ **STEM Workers**

Some very large companies have for many years gotten big increases in the numbers of scientific, technical, engineering, and math workers allowed to immigrate to the U.S. Now, it appears that most of this push has been to try to import lower-paid STEM workers. Salaries have not gone up in these fields as much as they would have if there was a true shortage. And many college graduates are finding it more difficult to find employment. A recent article in the non-partisan CQ weekly magazine was entitled "Maybe Not So Fast on STEM Visas" and said there is "conflicting research" as to whether there is a true shortage. If there is then our schools and businesses should do more to encourage young Americans to go into these fields.

I will not vote to increase these H1B visas as long as our unemployment and underemployment are as high as they are.

✓ **Laughing Billionaire**

Almost all federal programs which are supposedly for poor or lower income people seem to always end up helping the wealthy the most. One Capitol Hill newspaper a few weeks ago had a picture of a smiling Carlos Slim, a Mexican billionaire, and one of the richest men in the world. He is laughing all the way to the bank because of the federal program to give free phones to lower income people. The newspaper Politico reported on July 23 that one of Mr. Slim's subsidiaries, TracFone, spent \$640,000 in lobbying fees last year and received \$451.7 million in 2011 for its participation in the so-called Lifeline program. This program cost \$2.2 billion last year, and I am co-sponsoring a bill to cut most of this funding.

✓ **Dodd Frank**

The Dodd-Frank financial reform bill was passed by a Democratic led Congress in 2010 in an attempt to get back at the big banks that helped cause the last recession. I think we should regulate these banking giants very closely and never have any too-big-to-fail policies. However, Dodd-Frank has hurt the smallest banks most of all. A columnist in the Washington Times wrote: "So far, the effects are not what Washington promised. More than 200 smaller banks have failed in the wake of Dodd-Frank." Most federal and state regulation ends up hurting the smallest businesses in any industry, often running them out of business. In fact, many highly-regulated industries become very difficult, or even impossible, for those without big money to get into in the first place. Liberals who always proclaim they are for the little man end up being the best friends extremely big business has.

✓ **Tax Reform**

There will be a strong effort in this Congress, sometime next year, to do major tax reform. According to the National Taxpayer Advocate, the tax code now has over four million words and individuals and businesses spend about 6.1 billion hours each year doing their taxes and complying with the tax laws. There is no good reason that we should have a tax code nearly as complicated, confusing, and convoluted as it is. Richard

LEGISLATIVE UPDATE *continued from page 2*

Rahn, Chairman of the Institute for Global Economic Growth, wrote: "None of this is necessary. The United States could move to a simple, flat tax system as other countries have which would raise as much revenue with far lower rates, and without much of the economic and liberty destroying complexity. Better yet, the nation could move to a system of user fees and consumption taxes, as some countries have, enabling the abolition of the income tax. Such a system would greatly increase economic growth and opportunity, individual liberty and reduce health destroying fear and anxiety among the people." The over-whelming majority of the people want a much simpler system, but the people, companies, charities, and institutions that have special tax breaks in our present complicated system have thus far been able to defeat major reform.

✓ **Duopoly**

I have said and written before that we have a big government-big business duopoly and that the "little man" has the best chance for success only in a less-regulated, small government system. The richest people in this Country today are most often those who have manipulated federal laws or programs to their benefit. I am presently reading a new biography about Clarence Darrow, the famous lawyer. That book has a brief story about a letter written by Richard Olney, a lawyer and director for three big railroads, who was President Cleveland's Attorney General. Mr. Olney wrote another railroad executive to advise him not to oppose creation of the Interstate Commerce Commission. Olney wrote: "The Commission... can be made of great use to the railroads. It satisfies the popular clamor for a government supervision of railroads... Further, the older such a commission gets to be, the more it will be found to take the business and railroad view of things. It thus becomes a sort of barrier between the railroad corporations and the people."

✓ **Greedy Government**

You can never satisfy government's appetite for money and land. They always want more. They also want more employees and bigger and nicer offices and equipment. It would be wonderful if administrators and officials at all levels, federal, state and local, would go into office with the goal of saving money and returning some of it to the taxpayers.

✓ **No Privacy**

When people run for office, they should realize they are giving up their privacy. However, it is very sad to me that modern technology has destroyed any real privacy for private citizens. The government and others can find out any and all details about your bank accounts, medical records, grocery and other purchases, tax returns, cost of your home, and on and on. The Washington Post reported in mid-June that the "National Security Agency and the FBI are tapping directly into the central servers of nine leading U.S. internet companies, extracting audio, video, photographs, e-mails, documents and connection logs that enable analysts to track a person's movement over time." Even George Orwell would be shocked by the power and scope of Big Brother today. Judge Andrew Napolitano wrote about this in an August 8 column that this is being done with the "permission of President Obama." He said "All of this happened in the dark, with the permission of President Obama, with the knowledge and consent of fewer than 20 members of Congress who were forbidden from doing anything about it by the laws they themselves had written, and based on secret legal arguments accepted by a secret court that keeps its records secret even from the judges who sit on the court." Napolitano added: "How putting the intimate thoughts of all Americans who use telephones and the Internet under the federal microscope helps to fight foreign terrorists has never been explained in a public court---only in a secret one. But using this extra-constitutional means to fight crime brings us closer to a Soviet-style and value-free police state."

✓ **Economic Historian**

One of the most respected economic historians is Niall Ferguson, a professor at Harvard and senior researcher for both Oxford and Stanford University's Hoover Institute. He has written a new book entitled The Great Degeneration, in which he says the U.S. is becoming a formerly wealthy country "that in reality has ceased to grow." He says that we now have relatively low and stagnant wages for most people, coupled with "the ability of a corrupt and monopolistic elite to exploit the system of law and administration for their own advantage." This is why, as the federal government has grown bigger and bigger, the gap between the rich and the poor has grown

so much larger. We need to start believing in free enterprise again and stop believing that government can solve all problems. We need to show more appreciation and respect for those who start small businesses and create jobs.

✓ **Military Injustice**

The muslim extremist charged with killing 13 people four years ago at Fort Hood, Texas has been paid over \$300,000 while incarcerated. This is ridiculous. The Code of Military Justice should be changed to prohibit payment of salary to those being held in custody for crimes of violence, especially in cases where multiple murders have occurred. Under our system, this man is entitled to a presumption of innocence at trial. I do not believe this should require payment of salary for work that cannot be performed while incarcerated. I have asked the legislative drafting service to draw up a bill to present in the near future, and I will try to get support for this commonsense change of present law.

✓ **Stupid Policy**

The foreign policy we have followed in Iraq and Afghanistan has been filled with so many examples of waste, fraud, and abuse, and worst of all, needless deaths of many people, young and old. One of the latest findings was in a report by the U.S. Inspector General for Afghanistan reconstruction. The U.S. has now spent more than \$51 billion to help Afghanistan field, clothe, arm and house a national security force, but Washington does not even know the size of the Afghanistan force it is paying for. The I.G., John Sopko, said: "It looks like our data on the forces, the Afghan National Security forces... may be bogus." In addition, the Afghan government, according to Defense News, is now demanding \$1,000 for each shipping container leaving the country that lacks an Afghan customs form, and that country is claiming the U.S. owes \$70 million in customs fines. So, the U.S. now has to fly most of its equipment out by air at what one defense official said costs five to seven times more by aircraft than it would over land. What gall. This is a country that we have spent hundreds of billions on, doing everything imaginable for the Afghan people. I have spoken for years on the floor of the House and in Committee meetings saying that we should bring our troops home and stop all this waste.

LEGISLATIVE UPDATE continued from page 3

✓ **Survey** I would appreciate your opinion on these issues.

Do you favor taxing sales over the internet the same as sales taxed in local stores?

Yes No

Do you support giving immigrants here illegally a path to citizenship?

Yes No

Do you favor same-sex marriage?

Yes No

Do you favor total legalization of marijuana?

Yes No

Do you support use of marijuana for medical purposes if prescribed by two doctors who do not practice together?

Yes No

Do you favor Obamacare?

Yes No

Do you favor foreign aid?

Yes No

If you do not favor foreign aid in general, would you support making an exception on foreign aid for Israel?

Yes No

Do you support a national sales tax called the Fair Tax if it would eliminate all other federal taxes?

Yes No

Do you support privatization of TVA?

Yes No

Do you think the wars as in Iraq and Afghanistan have been successful?

Yes No

Do you think the NSA should be allowed to monitor and keep the phone calls and internet data of all U.S. citizens?

Yes No

Contact**Congressman Duncan:****Washington, DC Office**

2207 Rayburn Office Building
Washington, DC 20515-4202
(202) 225-5435
(202) 225-6440 fax

Maryville District Office

Blount County Courthouse
331 Court Street
Maryville, TN 37804
(865) 984-5464

Knoxville District Office

800 Market Street, Suite 110
Knoxville, TN 37902
(865) 523-3772

On the Internet

www.duncan.house.gov

Visit me on Facebook and Youtube

[www.Facebook.com/
CongressmanDuncan](http://www.Facebook.com/CongressmanDuncan)
[www.Youtube.com/
RepJohnDuncan](http://www.Youtube.com/RepJohnDuncan)

Please cut out and mail survey back to the Knoxville District Office or fax to the Washington Office.

This mailing was prepared, published, and mailed at taxpayer expense.

Washington Report

RESIDENTIAL CUSTOMER
Second Congressional District
Tennessee

PRSR1 STD
M.C.

Congress of the United States
House of Representatives
Washington, D.C. 20515
Public Document
Official Business