



CONGRESSMAN

John J. Duncan, Jr.

Washington Report



Second District—Tennessee

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LEGISLATIVE UPDATE

✓ **New District**

Since the founding of our Nation, Congressional District lines have been established by the State legislatures. Knox, Blount, and Loudon Counties will remain in the Second District. Because of the popularity of East Tennessee, the district had to decrease its population, so McMinn and Monroe Counties and the Seymour and Kodak areas of Sevier County were removed from the District. Added to the Second District were Jefferson, Grainger, and Claiborne Counties and the Jellico area of Campbell County. The Congressional districts in Tennessee will each now have a population of approximately 710,000, but of course the Second District will probably continue its rapid growth each year.

✓ **U.S. Economy**

This Nation could be booming right now if we would allow it to do so. Former Communist nations in Asia seem to be allowing more free enterprise than we are here. So much of the money that is taken by government is spent wastefully or inefficiently. We need to keep as much money as possible in private hands so there will be more funds available to start or expand businesses and more for parents to spend on their children. Unfortunately, even most of the money spent on programs for children really end up with most of it going to govern-

ment employees.

✓ **Unemployment**

We have now had about three and one half years of above eight percent unemployment. This is the longest stretch of high unemployment since the Great Depression. While unemployment is far too high, many believe our underemployment is even higher. Several million college graduates and very intelligent non-graduates are working at jobs far below what their skills and abilities would justify. Environmental over-regulation, other bureaucratic rules and red tape, and unfair trade laws have resulted in several million jobs being done in other countries that could and should be done here.

✓ **National Taxpayers**

The National Taxpayers Union recently ranked me as the most fiscally-conservative member of the 435 in the House. This was based on all 338 votes in 2011 that involved federal spending. Of course, many other votes are on policy questions or issues and procedural matters. It is always easier and more popular to say yes to everyone. But with our national debt already at almost \$16 trillion, and going up faster than ever, we need more people in government who will say no. Our Social Security and other pensions and savings will buy very little a few years from now if government at all levels does

not become much more fiscally-conservative.

✓ **Good Goals**

I wish our Presidents, now and in the future, would give their cabinet officials and agency heads two main goals: 1) reduce spending in any and every way possible so we can begin digging our way out of this mega-trillion dollar hole we are in, and 2) decrease regulations and speed up approvals so jobs will grow and salaries will increase. For example, the Secretary of Energy should be trying to increase all types of energy production so more jobs will be created and energy costs will go down. This can be done in many ways other than through government loans. Also, we do not need so many people in the Energy and Interior Departments who have almost a police mentality and want to restrict and curtail production.

✓ **Broke Governments**

All over the U.S., city and county governments are going broke and several are even now in bankruptcy. Stockton, CA, Jefferson County, AL, Benton Harbor, MI, and Central Falls, RI are a few examples of local governments in some form of bankruptcy or receivership. Harrisburg, PA was considering bankruptcy until the State Legislature took temporary action. Detroit is in terrible financial

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condition, finally agreeing to have its finances overseen by an outside, appointed board. The same things are happening all over the world in Greece, Spain, Ireland, and other countries all because elected officials refuse to say no to excessive spending. You can never satisfy government's appetite for money or land. Unfortunately, the spending seems to continue until pensions are cut, huge layoffs occur, and drastic action is the only way to avoid complete collapse and riots in the streets.

✓ **Job Creation**

Most people, according to many polls, believe job creation should be the main goal of the Congress. Tony Blair, the former British Prime Minister, said in a speech: "The role of government is to stabilize and then get out of the way as quickly as possible. Ultimately, the recovery will be led not by the government but by industry, business and the creativity, ingenuity and enterprise of people. If the measures you take in responding to the crisis diminish their incentives, curb their entrepreneurship, and make them feel unsure about the climate in which they are working, the recovery becomes uncertain."

✓ **Devastating Decision**

Karen Harned, Executive Director of the Small Business Legal Center, wrote in the Washington Times that the Supreme Court's healthcare decision would be "devastating" to small business: "Small businesses are already burdened with enough taxes, red tape and unnecessary regulations. They need the government out of their lives, not meddling in their businesses and forcing them to use their own money to purchase a particular product. Small Businesses are resilient, innovative,

and creative. They have overcome an enormous amount of government interference in their lives and their businesses, but this blow may be one too many. Like all Americans, they now face a new reality—one our nations' founders worked so hard to avoid—in which there are no constitutional limits to what Congress can tell each of us to do."

✓ **Powerful Court**

The day before the Supreme Court upheld President Obama's healthcare law, Roger Simon, a very liberal columnist, wrote: "Once upon a time, in a place called America, there was a government with three equal branches. That America no longer exists. One branch now rules American life. It is the Supreme Court, and it consists of nine people elected by nobody. They rule for life. Their power is absolute....there is no aspect of American life....over which the justices have not exerted control." Other parts of this column make it clear that he thought the Court would overturn the law, and he wanted to be among the first to criticize the expected "conservative" decision.

✓ **Unaffordable**

Even if the President's healthcare plan was the best thing since sliced bread, we simply cannot afford it. Both Medicare and Medicaid now cost many times more than what was estimated when they were first passed. Already, the estimate for the President's plan is double what it was just one year ago, and most of it will not be fully implemented until 2014 and some parts until 2016. And much of it is "paid for" by placing millions more onto the Medicaid rolls. This will cost all the states a few billion they do not have. The non-partisan Congressional Quarterly estimated these additional Medicaid costs at \$627

billion over the next 10 years. In addition, the Joint Committee on Taxation in June estimated that increased taxes over the next 10 years just to cover the plan would be from \$675.3 billion to \$804.6 billion. If these are low ball, front-end estimates, as is typical, the healthcare plan will not work unless medical care is limited or restricted more and more each year.

✓ **Strong Words**

When this Congress and/or the next considers whether to repeal or at least reform the President's healthcare law, it should consider these strong words written last February by Dr. Milton R. Wolfe, a radiologist and syndicated columnist: "For the first time in the history of our Republic, our government has demanded that every American, upon the condition of breathing, be forced to enter a legal contract with government approved corporations. Not even King George III dared impose such control. In truth if a government can force you to patronize companies of its choosing, the fundamental relationship between the government and the individual is irrevocably changed. If it is allowed to stand there will be no part of your life the government cannot control and no crony it cannot enrich—with your money."

✓ **Import Surge**

Alan Tonelson, of the U.S. Business and Industry Council, wrote recently in the Washington Times that the deteriorating world economy will lead to a surge of imports and another increase in the U.S. trade deficit. That deficit is already far too high. Pat Buchanan, in his syndicated column, wrote that in 2011, we had the largest trade deficit ever with a single nation, \$295.4 bil-

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lion with China. But this year it is running 12% higher, and our total U.S. trade deficit is now back over \$600 billion a year. He said these deficits mean: “A deepening dependence on foreign nations for the necessities of our national life. A steady erosion of our manufacturing base. A continued stagnation in the real wages of the middle class. And an unending redistribution of America’s wealth to foreign lands.” I recently co-sponsored legislation to give a new tax break to companies that bring jobs back to the U.S. and to deny deductions for moving expenses for companies shipping jobs to other countries.

✓ **Highway Bill**

The main legislation that I have been working on this year has been the Highway Bill in my role as Chairman of the Subcommittee on Highways and Transit. The bill passed on June 30th by a vote of 373-52. This was a bill to fund our Nation’s highway construction and safety programs as well as our mass transportation for the next 27 months. The bill also kept student loan rates at 3.4%, rather than doubling to 6.8% as scheduled. The last Congress had been unable to pass a highway bill due primarily to cost concerns. However, this bill was the most conservative highway bill in many years, both from a fiscal and policy standpoint. The bill achieved savings by consolidating many programs and through environmental streamlining. Most federal highway projects, even short in length, were taking an average of 15 years from conception to completion. Almost all the delays were due to environmental rules and red tape. These projects now can be done in half the time or less, saving many billions and

allowing us to do more with less.

✓ **Big Banks**

Many of our financial problems were caused by the Nation’s biggest banks. Yet the Dodd-Frank law has made it more costly and more difficult for small banks to survive, thus helping the big to get even bigger. James Pethokoukis of the American Enterprise Institute and a contributor to CNBC wrote recently that America does not need 20 banks with combined assets equal to nearly 90% of the U.S. economy, or five megabanks with almost 60% of national output. He wrote: “Breaking up the biggest banks would allow markets to work better, by cutting down on crony capitalist rent-seeking by big money from big government. It would also reduce the moral hazard created by Washington’s too big to fail policy.” We should never again have a sweetheart, insider too-big-to-fail policy for any business or industry.

✓ **School Waivers**

I was the only member of the Tennessee delegation who voted against the very mis-named No Child Left Behind law in 2001. This was a very great over-reaction to failed school systems in several of our Nation’s largest cities. Now 19 states have been granted waivers from parts of this law, and 17 other states have applications pending. While the law is not all bad, it is not working well even in states that are trying to fully comply. Many things show that money is not the answer to school problems. The District of Columbia system spends more money per pupil than most systems in the world, even more than most private schools. Yet almost everyone is trying to get out. Over 17,000 are now on waiting lists to get into the City’s charter schools.

✓ **Technology Addiction**

A recent Associated Press story asked “Is texting ruining the art of interaction?” and said many experts “fear that more of us are losing our ability to have... traditional face to face conversations...” Some young people have spent so much of their lives on computers, i-pods and i-pads, that they have trouble looking people in the eye or interacting on a person-to-person basis. Diane Ackerman wrote recently in the International Herald Tribune that “we may be living in a sensory overload” and said she sometimes wonders “if we’ll survive our own ingenuity.” I sometimes wish my life had not gone by so fast, but I also am very glad I grew up in “Andy of Mayberry” days when we did not have all the technology and TV channels of today and children spent much more time outdoors. I think educators at all levels should occasionally encourage technology-free days when students would build things, study outdoors, make-up stories, and do other things to develop creativity.

✓ **Student Loans**

Student Loan debt is now over one trillion dollars, with 40% owed by people over 40. Dr. Richard Vedder, Professor of economics at Ohio University and Director of the Center for College Affordability and Productivity, said in a recent speech: “federal student financial assistance programs are costly, inefficient, byzantine, and fail to serve their desired objectives. In a word, they are dysfunctional, among the worst of many bad federal programs.” They have been the primary cause of college tuition spiraling out of control. College costs went up at roughly the rate of inflation until these loan programs started. Costs simply explode on anything the

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federal government subsidizes. These costs have gone up two or three times the rate of inflation almost every year since federal student loans were started. Congress should pass a law to decrease loans to schools that continually raise their tuition above the inflation rate, but the university lobby has been too powerful to pass such legislation thus far. I have spoken and written about this for several years. Janet Bodnar, of Kiplinger's, wrote a few weeks ago that "the news media have suddenly discovered the issue". Hopefully, we may be approaching a time when action can be taken and not simply encouraging students to take on even higher debt. If we do not act, then the words of Carolyn Coda, Vice President of Swiss Re, one of the world's largest insurance companies, may come true. She said: "I believe that the student loan bubble will be the next to burst, and it will affect more people than the housing crisis."

✓ **Bad Policy**

President Obama, on March 28, 2011, said: "With respect to the notion that I can just suspend deportations (of immigrants brought here illegally as children) through executive order, that's just not the case, because there are laws on the books that Congress has passed." Then, just about 14 months later, he did it anyway. Executive Orders, through most of our history, have been used very sparingly and usually only for non-controversial, organizational-type matters. Even those who agree with what the President did should be concerned about the way it was done. What if a future conservative President put down on Executive Order making some major policy change. A significant change in our immigration laws should not be done just by one

man, no matter who is President.

✓ **Open Borders**

It is frequently reported that half the people of the world – three billion – have to get by on \$2.00 or less a day. While everyone feels very sorry for those who live in terrible poverty, we cannot just open our borders and allow several hundred million people to come here in a very short period of time. Our entire infrastructure, our schools, roads, utilities, jails, sewers, etc. just could not handle such a rapid, massive influx of people. No other country has come even close to as generous to other nations as has the U.S. No other country has allowed nearly as many millions in as we have, especially since the Congress passed the Simpson-Mazzoli Act in 1986. Even though sympathetic, we must have a legal, orderly system of immigration and it must be enforced. With the unemployment, debt, and crime problems we now have, the Congress should be voting to reduce immigration for a few years, but we do not have a majority willing to do so.

✓ **Defense Spending**

I have always felt that national defense was one of the most important and most legitimate functions of our national government. However, even the Defense Department should not be allowed to waste money. Walter Pincus, a columnist for the Washington Post, wrote recently; "Does any other branch of government get away with having its programs balloon the way Pentagon weapons systems do, with no end in sight?" This year, the House approved a \$525.8 billion regular budget for the Defense Department. Then the fighting in Iraq and Afghanistan and even elsewhere has been in a separate Overseas Contingency Operations Account which has

been at about \$120 billion a year, now reduced to approximately \$88.5 this year. Then the military construction budget is separate, and, often there have been additional supplemental or emergency appropriations.

✓ **Transatlantic Dialogue**

I had the opportunity over a Saturday, Sunday and Monday in late June to participate in the Transatlantic Dialogue. These were intensive, lengthy meetings and discussions between members of our Congress and members of the various European Parliaments. There was no free time, but the meetings were both interesting and informative. I took part in these same meetings with mostly different representatives two and a half years ago in New York City. One meeting was with the Foreign Affairs Committee of the European Parliament to discuss the Middle East. While I spend the overwhelming majority of my time working on constituent problems and national issues, I also try to learn as much as possible and speak out to some extent on important international matters.

✓ **Government Secrecy**

Two Senators, Ron Wyden (OR) and Mark Udall (CO), recently wrote asking the National Security Agency how many Americans have had their communications monitored or spied upon since the 2008 expansion of the Foreign Intelligence Surveillance Act. The Senators were not asking for names, but at least for a "ballpark estimate." The NSA refused to give them this information, replying in an Orwellian way that it would "violate the privacy of the U.S. persons." What an arrogant response. Both Senators are members of the Senate Intelligence Oversight

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Committee and should have been entitled to the very limited information requested. In many ways, we no longer have a government of, by, and for the people. Wireless companies reported on July 9 that they responded to 1.3 million demands for subscriber information from government agencies just last year. Requests of this kind have been increasing at a rate of 15% for each of the last five years.

✓ **Needless Wars**

Because the overly-drawn-out wars in Iraq and Afghanistan have resulted in the deaths of and horrible injuries to so many wonderful U.S. soldiers and many thousands of Iraqi and Afghani children, we can at least hope that future leaders will not be so eager to go to war. However, because world leaders and U.S. Presidents seem to be at the height of their power and popularity when leading a war, we may not see a long period of peace. Some are clamoring for other wars even now. Professor Thomas DiLorenzo, of Loyola University, wrote recently: "Every time the neocons instigate another war, as they are now trying to do with Iran and Syria, they declare that 'WE' must do so to protect 'OUR' vital interests. There is never, ever, any definition of what those 'interests' are. This is because 'WE' the people have nothing to gain at all from any of these wars and are simply forced to pay for them." Most of these wars are more about money and power than any real threat.

✓ **Solar Loans**

Most of the so-called subsidies to oil companies are ordinary expenses that any business, large or small, can write off on tax returns. However, the industry that has been subsidized the most percentage-wise is solar energy. I am all

for solar energy if it could make it on its own without taxpayer loans. However, so far it has been a big flop in spite of huge federal loans. Solyndra, which received \$535 million, has gotten a lot of publicity. But that is just the tip of a very large iceberg. There are many other solar companies which are in or near some form of bankruptcy despite many billions of government loans and subsidies. This is in spite of the fact that the Energy Department has been very slow to try to force repayments because it did not want to admit the failure of the loan program.

✓ **Drones**

On April 23 the Secretary of the Air Force issued a 30 page paper about the use of drones in U.S. skies. The paper said photos taken may be distributed by the military to others in government if the "recipient is reasonably perceived to have a specific lawful governmental function." The Washington Examiner, in its lead editorial on June 20, said "Americans deserve a proper check on this new government power—and they deserve it now, before hundreds of drones are already circling our skies and matters truly get out of hand." Judge Andrew Napolitano wrote: "If we remain silent when our popularly elected government... steals the freedoms we elected it to protect, we will have only ourselves to blame when Big Brother is everywhere." Congress should do everything possible to protect privacy before it is all gone.

✓ **Respected Columnist**

Georgie Anne Geyer is one of this Nation's most senior and most highly-respected foreign policy columnists. She wrote recently that we "are embarked upon missions mired in the fog of human nature, with robotic weapons that

may relieve the threat to our human soldiers but that will cause many times more hatred toward America." She wrote about inaccurate drones "killing totally innocent people" in several countries and quoted a Washington Post article that said "an escalating campaign of U.S. drone strikes is stirring increasing sympathy for al-Quaeda-linked militants and driving tribesmen to join a network linked to terrorist plots against the United States." Of course, a large amount of money is being made off the sale of those drones to the government.

✓ **Lost Jobs**

I recently met with the head of CSX railroad who told me about the problems one of its customers had in gaining approval to mine phosphate in Florida. It took seven years to get all the necessary permits, and then the Sierra Club filed a lawsuit. This delayed things two more years. In the meantime, the Company, Mosaic, partnered with a Peruvian company and had the mine approved and opened in a year and a half. This cost 200 U.S. jobs. Then to settle the Sierra Club suit, Mosaic donated \$10 million in land to Florida and \$2 million more to open it as a park. This took this land off the tax rolls, meaning taxes had to go up on other private land. We now have so many national, state, and local parks that we are having trouble taking care of them all, and many see very little use. In addition, environmental extremism is destroying jobs, driving up prices, and hurting many lower and middle income people in the process.

✓ **Solutions**

The solution to most of our problems is to greatly decrease the size, power, and especially the cost of the federal government. We also need to reform every fed-

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eral program to encourage more competition and give beneficiaries more choices. The history of almost every federal program has been to take what was a minor problem for a few and turn it into a major problem for everyone. Also, when government gets too big, a very small minority can figure ways to work the system to become wealthy. This very seldom happens if government is kept small, local, and more under the control and watchful eye of the people. Without major reforms, we will be able to pay only for Medicare, Medicaid, Social security, and interest on the national debt in 10 or 15 years absent massive tax increases.

✓ **Disability Shortfall**

We now have 13.3 million people under 65 drawing Social Security disability payments. The number of people applying jumped 123% between 2001 and 2010, and there are now approximately three million additional people requesting to be placed on disability. However, the fund which had \$215.8 billion in 2008 has been operating at growing mega-billion annual deficits, and according to the Trustees will be at zero in 2018. Robert Samuelson, a Washington Post columnist who is moderately liberal, summed it up this way a few months ago: "Social Security's

disability program is a political quagmire – and a metaphor for why federal spending and budget deficits are so difficult to control. The numbers are too big; the details too complicated; and the choices, when faced, too wrenching. President Obama's new budget, estimated at \$3.5 trillion or more, will raise all these problems. Experience suggests that little will be done to rein in long-term spending and deficits."

✓ **Air Marshals**

I believe the Air Marshal program is one of the most wasteful, useless ones in the entire federal government. USA Today reported that more air marshals have been arrested than there have been arrests by air marshals. Certainly it has to be one of the easiest jobs in the world, just riding airplanes back and forth, all at what reporter Charles C. Mann said "has had no measurable benefit." At my request, the Appropriations Committee finally cut this billion dollar program by \$86.5 million, after giving it 10 straight years of increases. Mr. Mann, in a long article in Vanity Fair Magazine, wrote this about our expenditure of well over one trillion dollars on homeland security: "To a large number of security analysts, this expenditure makes no sense. The vast cost is not worth the infinitesimal benefit. Not only has the

actual threat from terror been exaggerated, they say, but the great bulk of the post 9/11 measures to contain it are little more than... security theater."

Contact

Congressman Duncan:

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

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

Athens District Office
McMinn County Courthouse
6 East Madison Avenue
Athens, TN 37303
(423) 745-4671

On the Internet

www.duncan.house.gov

Mailing Address

Rep. John J. Duncan, Jr.
2207 Rayburn H.O.B
Washington, DC 20515-4202

Congress of the United States
House of Representatives
Washington, D.C. 20515

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