

*Chairman's Statement*  
**Guns and Butter: Setting Priorities in Federal Spending  
in the Context of Natural Disaster, Deficits and War**

**Senator Tom Coburn**  
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We are a nation at war. We face trillions of dollars in unfunded liabilities of our entitlement programs. We are recovering from the worst natural disaster in our nation's history. Since 2001, the non-defense, non-homeland security government spending has increased a whopping 32%.<sup>1</sup> Since 1998, it has grown 70%! Last year alone we heaped another \$2,000 in debt-load on the backs of every man, woman, and child in America. The year before that, it was \$1,700.

Peter Peterson argues in his book *Running on Empty* that both parties' appetite for spending is a fiscal trainwreck waiting to happen. He's right.

When I visit with Oklahomans, they make it clear that they're losing patience with the cavalier way politicians are spending their hard-earned money. There is a rumble brewing outside of Washington. The American people understand unrestrained government growth is endangering the future quality of life for their children and grandchildren. Unlike their elected officials, Americans "get it". They know that when unexpected financial obligations arise, priorities must be set. Sacrifices must be made. Yet Congress seems to live in some alternate universe where it's ok - during a time of war and natural disasters - to defend earmarks for sculpture gardens in a bill intended to reduce homelessness. And that's just last week.

The Constitution could not be more clear about the finite powers of the Federal government. When the Founders wrote in Article I, Section 8 that the government is to "provide for the common defense and general Welfare of the United States," they were not intending to create a nanny state that controls the lives of citizens from cradle to grave.

In case there was any confusion, the Tenth Amendment should have cleared things up: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

The Founders worried that abuse of the General Welfare clause would lead to too much government. Thomas Jefferson wrote: "Congress had not unlimited powers to provide for the general welfare, but were restrained to those specifically enumerated... as it was never meant they should provide for that welfare but by the exercise of the enumerated powers." James Madison argues in the *Federalist Papers* that the enumerated powers are the finite list of Federal powers provided by the General Welfare clause – the end of the Federal authority, not the beginning.

Former Assistant Attorney General Charles Warren, in 1932, complained that members of Congress saw themselves as Santa Claus, frivolously abusing the General Welfare clause. He blamed this attitude for the rapid growth of government, including "appropriations for any specially favored class, section, or interest, which can secure a sufficient number of votes in

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Congress, by appeals to philanthropy, by sectional bargainings, or by insistence on class privileges.”

Discretionary spending has increased 32% since 2001 outside of homeland security and defense spending. What's more, one-quarter of total government spending goes toward overhead.<sup>ii</sup> One quarter of a \$2.5 trillion federal budget is staggering. A service sector industry such as the commercial printing industry spends roughly 10.7% on overhead.<sup>iii</sup> Why should publicly-provided services require so much more bureaucracy to deliver than privately-funded services?

I have argued repeatedly that today's Federal spending is not only irresponsible, but immoral. The uncontrolled growth of government is responsible for the *tanking* of economies and quality of life for citizens of nations all over the globe. Let's look at one example – Germany – though there are many others. 49.4% of Germany's GDP is taken up by government spending.<sup>iv</sup> Their unemployment rate is almost 11% and its GDP per capita is \$11,400 lower than that of the U.S.<sup>v</sup> The U.S. per capita economic output is over 30% higher than Germany's.<sup>vi</sup> GAO's extended baseline model shows us hitting 50% of GDP by 2060.<sup>vii</sup> When today's high school students retire, they'll face the same economic problems faced by Germany today. This is no gloom-and-doom prophecy – it is simply a mathematical fact.

Comptroller General David Walker, writes in *Saving Our Nation's Future* that last year the government spent at a rate which averaged more than \$1 billion per day. We're kidding ourselves if we think we're immune from most of Europe's fate.

In the early 19<sup>th</sup> century, Congressman Davey Crockett of Tennessee took to the floor to argue against a bill that would have granted money to benefit a military widow. I hope you'll indulge me as I read his statement into the record:

"Mr. Speaker – I have as much respect for the memory of the deceased, and as much sympathy for the sufferings of the living, if suffering there be, as any man in this House, but we must not permit our respect for the dead or our sympathy for a part of the living to lead us into an act of injustice to the balance of the living. I will not go into an argument to prove that Congress has no power to appropriate this money as an act of charity. Every member upon this floor knows it. We have the right, as individuals, to give away as much of our own money as we please in charity; but as members of Congress we have no right so to appropriate a dollar of the public money. Some eloquent appeals have been made to us upon the ground that it is a debt due the deceased. Mr. Speaker, the deceased lived long after the close of the war; he was in office to the day of his death, and I have never heard that the government was in arrears to him. This government can owe no debts but for services rendered, and at a stipulated price. If it is a debt, how much is it? Has it been audited, and the amount due ascertained? If it is a debt, this is not the place to present it for payment, or to have its merits examined. If it is a debt, we owe more than we can ever hope to pay, for we owe the widow of every soldier who fought in the War of 1812 precisely the same amount. There is a woman in my neighborhood, the widow of as gallant a man as ever shouldered a musket. He fell in battle. She is as good in every respect as this lady, and is as poor. She is earning her daily bread by her daily labor; but

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if I were to introduce a bill to appropriate five or ten thousand dollars for her benefit, I should be laughed at, and my bill would not get five votes in this House. There are thousands of widows in the country just such as the one I have spoken of, but we never hear of any of these large debts to them. Sir, this is no debt. The government did not owe it to the deceased when he was alive; it could not contract it after he died. I do not wish to be rude, but I must be plain. Every man in this House knows it is not a debt. We cannot, without the grossest corruption, appropriate this money as the payment of a debt. We have not the semblance of authority to appropriate it as a charity. Mr. Speaker, I have said we have the right to give as much of our own money as we please. I am the poorest man on this floor. I cannot vote for this bill, but I will give one week's pay to the object, and if every member of Congress will do the same, it will amount to more than the bill asks."

I'm pleased to report that Congressman Crockett had prevailed that day, changing the mind of the majority of his colleagues, who had been planning to vote for the measure. I hope that the same integrity will prevail in this body as well.

I want to thank our witnesses for being here today and I look forward to our dialogue.

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<sup>i</sup> Table 8.1—**OUTLAYS BY BUDGET ENFORCEMENT ACT CATEGORY: 1962–2010**, <http://www.whitehouse.gov/omb/budget/fy2006/sheets/hist08z1.xls>

<sup>ii</sup> Calculations based on OMB Object Class Analysis 2006 (includes personnel, benefits, travel, rental payments, communications, utilities, supplies, facility operation and management, etc.), <http://www.whitehouse.gov/omb/budget/fy2006/pdf/objclass.pdf>

<sup>iii</sup> First Research Industry Profiles, <http://www.firstresearch.com/IndustryAnalysis/commercialprinting.asp>, (June 15, 2005.)

<sup>iv</sup> Index of Economic Freedom 2005, <http://www.heritage.org/research/features/index/country.cfm?ID=Unitedstates>, Organisation for Economic Co-operation and Development, [http://www.oecd.org/country/0,3021,en\\_33873108\\_33873402\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/country/0,3021,en_33873108_33873402_1_1_1_1_1,00.html)

<sup>v</sup> The CIA World Fact Book 2004, <http://www.odci.gov/cia/publications/factbook/geos/us.html#Econ>

<sup>vi</sup> Index of Economic Freedom 2005, <http://www.heritage.org/research/features/index/country.cfm?ID=Unitedstates>, Organisation for Economic Co-operation and Development, [http://www.oecd.org/country/0,3021,en\\_33873108\\_33873402\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/country/0,3021,en_33873108_33873402_1_1_1_1_1,00.html)

<sup>vii</sup> Government Accountability Office Baseline Extended Model, <http://www.gao.gov/special.pubs/longterm/baselineextendedaugust2005.pdf>