

Testimony of Galen G. Weaber

Senate Majority Policy Committee
Public Hearing on the Pennsylvania Taxpayer Protection Act

May 31, 2007

Good morning Mr. Chairman and members of the committee. My name is Galen Weaber, owner, President and CEO of Weaber, Inc, a hardwood lumber manufacturing company that my father started in 1941 right here in Lebanon County. It was a family business that supported my parents and 13 children. In 1969, when I took over the company there was myself and two other employees. Now the company has grown to be one of the largest lumber manufacturers in Pennsylvania and the country employing more than 600 people. Upon reflection, I am not sure how we have made such progress given the seemingly perpetual expansion of the influence of government at all levels. So let me tell you how appreciative I am to be with you today to discuss what to do about our state government's growing problem. I am pleased that this committee is taking this issue out to the public and I am even happier to commend Senators Folmer and Regola for sponsoring long overdue legislation to get government overspending under control.

Those of you who know me understand that I have a disdain for government giveaways. The growth of government and the extent that it intrudes into the lives of the populace is out of control and must be checked. Now we all know that a reasonable level of government is required to do such things as enforce our laws, build and maintain highways and supply the public's needs for water and sewer. But not to finance the multitude of discretionary initiatives that have wrongly grown to supplant what society and the private market place could be doing on its own. And what has become really painful, but not a surprise, is with all of the growth of government we experience a loss of our freedoms along with the ability to conduct our lives and businesses in a way that produces prosperity for our families and communities. Today, it is hard to make any of your own decisions without some agent of the government telling you what to do and how to do it. To be sure, more government virtually always means more regulations that directly translate into increased costs, diminished productivity, lower wages and less profitability. A healthy business creates good jobs and contributes to a sound economy.

I pay close attention to what our government is doing and I don't like much of what I have seen happen to the size of the state budget over the past several decades. I have read where state spending in inflation-adjusted dollars has increased 160% between 1970 and 2005. Not surprisingly, all during this period Pennsylvania ranked near the bottom of

all states in growth of population, jobs, and personal income. And it is interesting that no political party seems immune from the spending disease. While I am not here this morning to admonish for past neglect, it should be observed that for the period 1995 through 2006 General Fund Budget spending increased 50%, taxes were raised, the Rainy Day Fund diminished and the debt load increased dramatically while the party of Ronald Reagan held control of the legislature. During the same period, business has received little tax or regulatory relief and we are the ones that are expected to create the jobs, grow the economy and make our state a more attractive place to live.

I do like the idea that these taxpayer protection bills promise the dawn of a new day in holding our government more accountable for whose money it is spending. After all, it is yours and mine! It is too bad that we need to enact such formal constraints to cure the spending illness but the record shows that our political leaders haven't applied the political will and fiscal restraint to limit spending through the traditional budget and appropriations process. Just look at this governor's proposed budget for next fiscal year: \$27 billion in overall spending, a seven percent increase over the current year. I wish prices for my business increased seven percent year over year. And how does he propose to pay for it? Over \$1.2 billion in seven new or increased taxes that weigh primarily on businesses. Last week the House passed his budget over to the Senate despite admirable attempts by the House Republican Caucus to stop it. These circumstances cry out for mandatory controls on spending, so Senate Bills 7 and 707 are timely for the sake of controlling the growth of government and protecting taxpayers.

Personally, I would prefer to see an extended period of phased spending cuts and tax rollbacks, but I know that may be too much to ask for. Doing those things would require the elimination of waste and numerous government subsidized programs that should be better left to private sector financing, but that is a job for a different day. Tying future spending to the lesser of the average percentage change of inflation or personal income with some correlation to population growth, as these Senate bills do, makes good sense. And I particularly like the idea that when times are good that excess revenue is placed in rainy day reserve, and better yet, possibly returned to the taxpayer. I have always felt that I know better how to spend my money than does my government.

I congratulate Senators Folmer and Regola for their leadership on this legislation. Initiative like this provides hope to taxpayers like you and me. The legislation offers a practical path to institutionalizing fiscal discipline in the management of our state's finances. If we can get these measures passed, resist further borrowing, pay down existing debt and eliminate much of the waste and excess in the bureaucracy, we stand a chance to turn things around so that the businesses and taxpayers of this state can benefit from less government intrusion and greater economic prosperity.

Thank you for having me this morning and I will take any questions that you may have.