AFSCME

in the public service

AFSCME®
in the public service

CHARLES M. LOVELESS
Director of Legislation

1625 L Street, N.W.
Washington, D.C. 20036
(202) 429-1194

PHOTOCOPY
PRESERVATION

AFSCME is the nation's largest public employee and health care workers union. Its more than 1.3 million members are state and local government and health and education workers committed to achieving dignity and improving their working conditions through collective bargaining.

Gerald W. McEntee
International President

William Lucy
International Secretary-Treasurer

AMERICAN FEDERATION STATE COUNTY MUNICIPAL EMPLOYEES AFL-CIO

AFSCME®
in the public service

CHARLES M. LOVELESS
Director of Legislation

1625 L Street, N.W.
Washington, D.C. 20036
(202) 429-1194

34

1993
BALANCED BUDGET AMENDMENT
SENATE

WRONG (52) *Cosponsor or publicly committed to Simon			LEANING WRONG (12)	UNDECIDED (9)	LEANING RIGHT (3)	RIGHT (24)	
Bennett*	Gorton*	**Nunn***	**Bingaman***	**Conrad**	**Dodd**	**Akaka**	**Moynihan**
Bond*	**Graham***	Packwood*	**Bryan***	**Ford**	Hatfield	**Baucus**	**Murray**
Boren*	Gramm*	Pressler*	Chafee*	**Glenn***	**Kerry**	**Biden**	**Riegle**
Breaux*	Grassley*	**Reid***	Cohen*	**Harkin***		**Boxer**	**Rockefeller**
Brown*	Gregg*	**Robb***	Durenberger*	**Johnston**		**Bradley**	**Sarbanes**
Burns*	Hatch*	Roth*	**Exon***	**Lieberman**		**Bumpers**	**Wellstone**
Campbell*	**Heflin***	Shelby*	**Feinstein***	**Pryor***		**Byrd**	
Coats*	Helms*	**Simon***	Jeffords*	**Sasser**		**Feingold**	
Cochran*	**Hollings***	Simpson*	**Kohl***	**Woffard** *		**Inouye**	
Coverdell*	**Hutchinson***	Smith*	**Moseley-Braun***			Kassebaum	
Craig*	Kempthorne*	Stevens*	**Pell***			**Kennedy**	
D'Amato*	Lott*	Thurmond*	Specter			**Kerry**	
Danforth*	Lugar*	Wallop*				**Lautenberg**	
Daschle*	Mack*	Warner*				**Leahy**	
DeConcini*	**Mathews***					**Levin**	
Dole*	McCain*					**Metzenbaum**	
Domenici*	McConnell*					**Mikulski**	
Dorgan*	Murkowski*					**Mitchell**	
Faircloth*	Nickles*						

Democrat Republican

December 20, 1993

Sunday

NOV 7, 1993

N1740

PRESS CLIPPINGS

House Freshmen Cross Party Lines to Cut Deficit

Newcomers' Opposition Critical on Big Items

By Eric Pianin
and Kenneth J. Cooper
Washington Post Staff Writer

When a bipartisan group of House deficit hawks huddled last month on a proposal to cut another $103 billion from the budget, the most vocal and adamant participants were freshmen.

House freshmen also played critical roles in the battle over the fate of three big-ticket scientific projects. The Superconducting Super Collider and the Advanced Solid Rocket Motor were torpedoed after the 114-member Class of 1992 voted overwhelmingly to eliminate funding. The far more expensive space station project narrowly survived, however, largely because the freshmen were closely divided.

After 10 months on Capitol Hill, House freshmen have overcome partisan differences to emerge as a potent force in the drive for government spending reductions.

Many ran on pledges to balance the budget or eliminate waste and corruption in government. About two dozen Democrats have formed a "fiscal caucus."

"There's a real zeal among freshmen members for spending cuts," said first-termer Rep. Earl Pomeroy (D-N.D.), who cast votes against all three major spending projects.

Eighty-eight percent of the 66 freshmen Democrats supported President Clinton's $496 billion anti-deficit package in August, despite their strong reservations about Clinton's heavy reliance on tax increases. Rep. Marjorie Margolies-Mezvinsky (D-Pa.), who represents a prosperous, heavily Republican Philadelphia suburb, risked her political career by casting the decisive vote in the House to pass the president's budget package.

Since then, freshmen Democrats and their 48 Republican counterparts have eagerly prowled for opportunities to prove their mettle as budget cutters. The 13 separate spending bills for fiscal 1994 gave them their first big opportunity, and some pushed for deeper cuts in defense and domestic spending, as well as going after the super collider and the solid rocket motor.

"They want to make an impact and they're frustrated with the way Washington works," said Rep. Timothy J. Penny (D-Minn.), a veteran House member and leader of the effort to force Clinton and Congress to accept more in cuts.

Rep. Nathan Deal (D-Ga.), a former state senate leader who op-

See FRESHMEN, A9, Col. 1

health care plan.

Many of the Democratic and Republican newcomers, who are otherwise ideological opposites, have found common ground in their crusade to shrink the budget. Conservative Republicans who could be expected to hold budget cutting as a goal were joined by liberal Democrats who saw the reductions as a way to free up funds for social programs.

Reps. Mac Collins (R-Ga.) and Cynthia McKinney (D-Ga.), state delegation mates with divergent political agendas, both voted against the space station, solid rocket motor and the super collider projects. Both said those projects ranked low on their priority lists, but each had different ideas about what kind of government spending is most important.

"I just think reducing the deficit and getting the deficit under control have far more priority than those three spending projects," said Collins, a conservative. Asked what

itics of budget cutting. Slightly more than 70 percent of the Democratic and Republican freshmen voted to kill the super collider, compared to 57 percent of the remainder of the House, while 85 percent of freshmen opposed the solid rocket motor, compared with 65 percent of more senior members.

The freshmen felt no institutional allegiance to these projects, and few were from states that benefited financially from the projects.

But the space station project, projected to cost $16.5 billion over its lifetime, was a different story. The National Aeronautics and Space Administration has spread space station contracts throughout the country, making it difficult for freshmen from California, Florida and other states with a stake in the space program to oppose the project.

Rep. Bob Inglis (R-S.C.) said suppliers for both the super collider and space station are located in his district, but he voted against the projects anyway. "I know a lot of Texas Republicans wanted it," he said of the super collider, "but pork is pork."

MARJORIE MARGOLIES-MEZVINSKY
. . . cast decisive vote on budget package

Hill Freshmen Take Hard Line On Bottom Line

FRESHMEN, From A8

posed the budget package this summer, said, "Those of us who voted against the president on the Democratic side would like to find something we could vote with him on." But he and other freshmen worry that Clinton and Democratic congressional leaders will oppose their plan for $103 billion of additional cuts and stick with a far more modest administration proposal for $10 billion to $12 billion of additional savings. Deal and his colleagues want to cut Medicare for deficit reduction, while the administration wants to use those savings for its health care plan.

Many of the Democratic and Republican newcomers, who are otherwise ideological opposites, have found common ground in their crusade to shrink the budget. Conservative Republicans who could be expected to hold budget cutting as a goal were joined by liberal Democrats who saw the reductions as a way to free up funds for social programs.

Reps. Mac Collins (R-Ga.) and Cynthia McKinney (D-Ga.), state delegation mates with divergent political agendas, both voted against the space station, solid rocket motor and the super collider projects. Both said those projects ranked low on their priority lists, but each had different ideas about what kind of government spending is most important.

"I just think reducing the deficit and getting the deficit under control have far more priority than those three spending projects," said Collins, a conservative. Asked what types of federal programs he considers important, he said those that "further our defense and maintain the security of the people."

McKinney, a liberal who urges a compassionate government, described the three projects as unjustifiable "luxuries" at a time some American children go hungry, lack immunization from preventable diseases and suffer from low birth weight.

"I don't mind being put in the category of budget cutter," she said. "I want to cut the budget and keep people from bleeding."

Rep. Eva Clayton (D-N.C.), president of the Democratic freshmen, views budget cutting as a means to free up funds for rural development and training to make U.S. workers more competitive by reducing interest payments on the federal debt.

"I would hasten to say I'm not for cutting for cutting's sake," she said.

Deal, a leader of the Democratic freshmen's fiscal caucus, described freshmen opposition to the $11 billion super collider and the $3.7 billion booster rocket as symbolic of a willingness to cut spending even at the expense of projects that may be worthwhile.

"If we're serious about deficit reduction, we have to make cuts in things that have merit," he said. "If you're serious, you have to cut into the flesh and not just the fat."

Among those joining Deal in pushing the $103 billion package of spending cuts are Democrats Lynn Schenk (Calif.) and Eric D. Fingerhut (Ohio) and Republicans Michael N. Castle (Del.) and Deborah Pryce (Ohio).

The votes on the three big-ticket projects are instructive in the politics of budget cutting. Slightly more than 70 percent of the Democratic and Republican freshmen voted to kill the super collider, compared to 57 percent of the remainder of the House, while 85 percent of freshmen opposed the solid rocket motor, compared with 65 percent of more senior members.

The freshmen felt no institutional allegiance to these projects, and few were from states that benefited financially from the projects.

But the space station project, projected to cost $16.5 billion over its lifetime, was a different story. The National Aeronautics and Space Administration has spread space station contracts throughout the country, making it difficult for freshmen from California, Florida and other states with a stake in the space program to oppose the project.

Rep. Bob Inglis (R-S.C.) said suppliers for both the super collider and space station are located in his district, but he voted against the projects anyway. "I know a lot of Texas Republicans wanted it," he said of the super collider, "but pork is pork."

Sacramento, CA
BEE
Sacramento Met Area

Saturday D 266,083

NOV 13, 1993

P1416

LUCE PRESS CLIPPINGS

The balanced-budget charade

Later this month, the U.S. Senate will vote whether to amend the Constitution to require a balanced federal budget. Note well: Senators ~~aren't~~ voting to balance the budget. Instead, they're voting to put on paper a requirement that somebody in the future balance the budget. The difference between the two is the measure of the fraud in the balanced-budget amendment.

To senators supporting the amendment, Americans might address a hard question: If annually balancing federal revenues with federal spending is so important a goal that it deserves to be enshrined in the Constitution, why not balance the budget today?

The answer would be an embarrassed mumble. However much lawmakers might recite their abstract support for balanced budgets, there are few who are prepared to do what would be necessary to bring spending and revenues into line immediately.

Consider the choices. The government this year will spend $253 billion more than it takes in. If they wanted to balance the budget this year, lawmakers could just about do the job by totally defunding every domestic program subject to annual appropriation – from prisons to national parks.

Too Draconian? Alternatively, they could eliminate the military or cancel Medicare and Medicaid. If lawmakers wanted to share the burden, they could simply take 20 percent out of everything across the board: Social Security checks, Medicare benefits, Army divisions, etc.

Taking any of those steps would be a disaster for the country, of course. Over the long run, the kind of large budget deficits run up in the last decade damage the economy, lowering the rate of future growth. But precipitous action to balance the budget would also throw the economy into recession and leave millions of Americans, without jobs, income support or medical care. And mandating balanced budgets, with spending cuts and tax increases, during hard times would be economic lunacy.

That explains why the balanced budget amendment to be considered by the Senate wouldn't actually require a balanced budget. Although it would force the president to propose a balanced budget each year, Congress could still pass an unbalanced budget with a deficit by a three-fifths vote.

Thus, were it in place today, the main effect of the amendment would be to change the politics of the budget process, giving increased power to the political extremes in either chamber. For example, a minority of 175 House members favoring a tax increase or opposing gun control could block adoption of a budget, forcing the majority to its position. The congressional budget debate would hit the same annual deadlock that plagues the California Legislature with its supermajority budget rule.

Last summer, this Congress made some of the hard decisions to get the budget deficit under control. With health reform pending, it has the opportunity to get a handle on runaway health spending, which now constitutes the core of the deficit problem. That's real work. By contrast, the balanced budget amendment is political gimmickry and a sideshow that deserves to be buried alongside the other nostrums of the 1980s.

Post
Washington DC Met Area

Friday D 866,171

NOV 12, 1993

N1740

George F. Will

Political-Class Bloat

Some proposals are vindicated by the arguments they elicit against them. One such proposal is a constitutional amendment to require three-fifths of both houses of Congress to approve any deficit spending, and a majority of the full membership of both houses to increase taxes.

President Clinton says this balanced budget amendment, which will be voted on early next year, an election year, might be vitiated by "accounting subterfuge" or multiplying unfunded mandates for local governments or the private sector. Sen. Robert Byrd (D-W.Va.) says the amendment might be "avoided and violated with impunity." But "accounting subterfuge" is already common. And notice that Clinton and Byrd are both arguing that the political class, of which they are exemplars, is so untrustworthy it would disregard its oath to defend the Constitution. That is one reason for the amendment.

Byrd warns that beneficiaries of programs cut to achieve compliance with the amendment might find friendly judges who would discover "rights" to those programs and who would order tax increases instead of cuts, thereby destroying the constitutional system. Certainly today's entitlement mentality is strong, and many judges arrogantly postulate new rights, including their right to legislate.

But these tendencies should be fought frontally rather than invoked as reasons for flinching from a balanced budget amendment. Notice again that Byrd's argument assumes the untrustworthiness of contemporary government.

Clinton says the amendment would be "bad economics" because the deficit "increases automatically when the economy weakens," thereby stimulating growth. The Washington Post agrees that the budget "is an automatic economic stabilizer." Byrd also agrees.

But there have been deficits for 25 consecutive years and for 55 of the last 63 years, during economic expansions and contractions, because deficits are run not to regulate the economy but to serve political careerists. Deficits enable careerists to charge current consumers of government just 76 cents for every dollar of government consumed. Deficits thereby make big government cheap, reducing resistance to the growth of government that is the careerists' vocation.

Look who's afraid of the balanced budget amendment.

If the Constitution were amended to limit the number of terms legislators could serve, a balanced budget amendment would be unnecessary. Term limits would remove the careerist motive for abusing modern government's vast revenue-raising and borrowing capacities.

Deficits, says The Post, are "the result of political, not constitutional, failings." True. But, then, abridgements of freedom of speech and press might today be political failings if the Constitution had not been amended to block such failings to which democracies are prey.

Clinton, Byrd and The Post are in unison when saying the amendment would enable Congress to avoid hard choices while the amendment was being ratified. But Congress avoids such choices anyway. And the wait probably would be brief: The average ratification time for amendments proposed in this century has been 18 months. The 26th Amendment, which lowered the voting age, took just three months.

Byrd, who boasts of being a billion-dollar industry for West Virginia, and Clinton, who has raised taxes and wanted to raise spending more than Congress would agree to (remember the "stimulus" package), oppose the amendment because it would interfere with "tough choices." Clearly the choices they have in mind are for higher taxes.

The Post, which is beside itself about the "simplistic" and "dangerous" and "insidious" amendment, says it "would basically end the American system of majority rule." Byrd, too, argues that the requirement of a three-fifths vote for raising the borrowing limit (running a deficit) would "put the government into the hands of a minority when it comes to a tax increase to balance the budget."

But various Senate rules that Byrd likes, such as the rule regarding cloture on filibusters, give blocking power to a minority of senators regarding everything that comes before the 535 members of Congress. And this republic rejected pure majority rule in 1789, when it ratified the Constitution with its separation of powers, checks and balances and provisions requiring supermajorities for various actions—including overriding vetoes, ratifying treaties, impeachments and proposing amendments to the Constitution.

Today The Post is encouraging just 34 senators to prevent 66 senators and at least 290 of the 435 House members (two-thirds) from sending the balanced budget amendment to the states. If it is sent, The Post will exhort 13 states to block ratification.

A system that selectively enhances the leverage of intense minorities is not inherently violative of the morality of democracy. And morally dubious things should be difficult to do. Given the tendency of our democracy to impose taxation without representation—deficit spending, which saddles the unborn with debts, amounts to that—it is proper to empower a minority to inhibit abuses by the majority.

Detroit, MI
Free Press
Detroit Met Area

Wednesday D 574,817

NOV 10, 1993

N3130

BALANCED BUDGET

Amendment puts shallow politics ahead of substance

Sometime this month, the U.S. Senate is likely to take up the balanced budget amendment, and sponsors are predicting they'll have the 67 votes to pass it. It's hard to decide if this is calamity in the wings, or merely farce.

Dozens of lawmakers are indeed lining up to vote for the amendment. Many of them are the same folks who didn't have the guts last spring to cut out of the federal budget such items as $1.5 million for pig research, or $10 million for a memorial Franklin Delano Roosevelt never wanted, or $25 million to study how to heat your house with the aurora borealis.

Nonetheless, they insist they'll find the courage to do so, if only a constitutional amendment makes them. This is not a serious budget strategy; it is a pathetic flight from responsibility, the congressional equivalent of Stop Me Before I Kill Again.

The amendment is simple and stupid: It says the federal government can't spend more than it takes in in any single year, a principle few households or businesses in America could live with. For Washington, it is an impossible demand, requiring such wrenching annual tax increases or spending cuts as to wreck the economy.

Politically, it's a bomb. The amendment says that Congress can engage in deficit spending if 60 percent of the members agree it is necessary. This means 40 percent-plus-one of the members of either house will hold a veto over every spending decision, a prescription for a) paralysis, or b) permanent tyranny by the minority.

What makes this doubly awful is that almost everybody expects Congress to go on engaging in deficit spending, even after the amendment is adopted. The only way to bring the budget into line as sharply as the amendment demands would be to slash Social Security and Medicare. Even if that were a good idea, who in Congress has the courage to do it?

So members will find a way to tuck more programs off-budget, to conceal capital spending, to inflate revenue estimates or deflate spending figures. They'll declare national emergencies, play your-pork-for-mine even more fiercely, and pass the usual mangled midnight compromises.

The Constitution will say the budget must be balanced, but it won't be. The pigs will still get their pork, and so will the aurora borealis and the dairy farmers and the defense contractors and the monument builders and almost everybody else.

The mandate will be unenforceable, the cynicism of the voters made even deeper, and Congress will have cheapened the most important document in the land. Members who sign on to this charade should hang their heads in shame.

Washington DC Met Area

Sunday SUN 1,170,150

NOV 7, 1993

N1740

For the Balanced Budget Amendment

In a recent editorial, The Post criticized efforts in Congress to adopt a balanced budget amendment to the U.S. Constitution and needled the Democratic cosponsors of the amendment.

As Democrats, we are proud to sponsor the balanced budget amendment in the House because it is consistent with the principles of our party: It will promote fiscal responsibility, increase accountability of the political process, protect working Americans against inequitable transfers of wealth and protect the unrepresented interests of future generations.

For 25 straight years, and for 55 out of the past 63 years, Congresses and presidents have failed to balance the budget. Representatives may know full well that chronic deficits threaten the nation's long-term prosperity, but they also know that their short-term interest

eigners and other holders of Treasury bills.

Contrary to The Post's allegation, our amendment will not "basically end the American system of majority rule." A minority would have leverage in exactly one instance: When the majority abdicates its responsibility to produce a balanced budget. In that case, a 60 percent super-majority would have to go on record to approve a deficit. The amendment in no way would affect the ability of a majority to spend on programs it deems important and to set budget priorities as it sees fit.

Surveys show that public support for the amendment is greater than 3 to 1. Yet The Post seeks to persuade a minority of one-third plus one in either the House or Senate to block Congress from sending the amendment to the states for a national debate on ratification.

Washington, DC
Post
Washington DC Met Area

Monday D 865,171

NOV 8, 1993

N1740

Distorting the Constitution

PRESIDENT CLINTON on Friday took a position on the misnamed balanced budget amendment to the Constitution, on which Congress is scheduled to vote in the next couple of weeks. He's opposed, as well he ought to be; he laid out the principal reasons in a compelling letter to House Speaker Tom Foley. You could be forgiven if you failed to get the news. There was no announcement; the letter was sent up late Friday afternoon, which is exactly when administrations generally take actions they hope *won't* get noticed. Officials say that wasn't the intent, and that the administration plans to campaign vigorously against this insidious proposal in the time that remains. We hope so.

This amendment wouldn't require, and most of the time would likely not produce, a balanced budget. It would simply require a three-fifths rather than majority vote of both houses to pass an unbalanced one. The balance it would mostly affect is the balance of power. It would add to the price that a president—any president, of any persuasion—would likely have to pay each year to get a budget passed. Every year Congress searches for the perfect vote on the budget, the one that will let it stand four-square for frugality without having to say at whose expense the frugality is to be achieved. The amendment has the added virtue of putting off the frugality until later; it will be another Congress's responsibility to achieve.

The president rightly observed that "the amendment by itself would not reduce the deficit by a single penny." But unlike some of the gimmicks that have preceded it, this one would tamper with fundamental law and likely do great harm to precisely the future ability to make the disciplined choices that sponsors say it would enhance. It would enshrine minority rule, and thereby add to the chance each year of gridlock. The president warned that by likely increasing "accounting subterfuge . . . for example . . . moving more federal programs off budget or . . . imposing more unfunded mandates on the states," it might well end up producing less fiscal responsibility rather than more.

It would be "bad economics," he said, in that it would complicate the government's countercyclical role, wherein the deficit automatically widens when the economy turns weak; it "risks turning minor downturns into serious recessions" and "would make recovery from recession far more difficult." The amendment could do programmatic harm as well. The goal of some supporters is not so much to balance the budget as to shrink the size and role of government. The president spoke up for reducing the "investment deficit" as well as the budget deficit. He said the amendment could "make it impossible to pass meaningful health reform legislation." Aides are preparing to warn backers that other likely effects could include increased pressure on defense and a greater burden on precisely the states that would have to ratify the amendment; that's because federal aid to state and local government would likely be cut.

This amendment, far from facing up to such choices, closes its eyes to them. It is a means of deferring precisely the discipline that it pretends to impose; in the name of strengthening the government, it would hobble and weaken it. It abuses the Constitution by using it as a political shield. Mr. Clinton, whose budget this year was itself a good first step toward deficit reduction, is right to oppose it. Congress should vote it down.

NOV 7, 1993

N27070

EDWARD GRIMSLEY

Balancing act with a dodge

On the premise that no crime should go unpunished, Attorney General Janet Reno should immediately dispatch U.S. marshals to Capitol Hill to arrest the entire Congress for willfully and contemptuously violating Public Law 95-435.

Over the past decade, Congress has defied that law to seize vast sums of the taxpayers' money to which it has not been entitled. A similar offense committed outside the walls of the Capitol by a Washington mugger is called robbery.

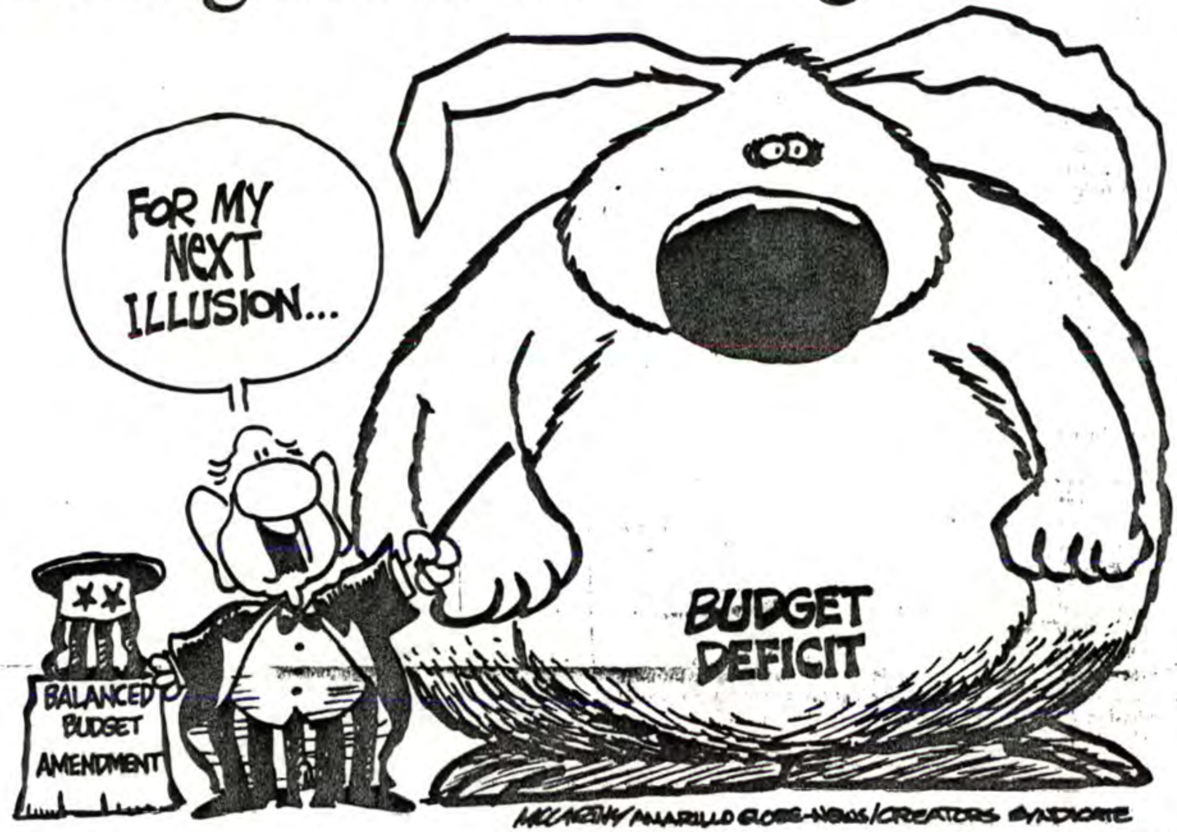
Congress cannot defend itself by pretending to be confused about the law, for it is a model of simplicity:

"Beginning with fiscal year 1981," it says, "the total budget outlays of the federal government shall not exceed its receipts."

In other words, starting in 1981, the federal government was supposed to balance its budgets forever and ever, as long as the law remained in force.

Sponsored by Harry F. Byrd Jr., then Virginia's senior senator and, until his retirement in 1983, the Senate's most ardent champion of fiscal responsibility, the law became effective on Oct. 10, 1978. It is still on the books, right there with statutes against tax evasion, drug-running, misuse of the mails and other such crimes.

But not once since that law was enacted has Congress complied with it. In every year since its adoption, federal outlays have exceeded receipts.



Since 1981, the Justice Department has sent numerous tax dodgers, drug-dealers and other criminals to jail. It has thrown the book at crooked Wall Street brokers, at mishandlers of thrift institution funds, and at people who threaten environmentally protected birds, beetles and tadpoles. But it has not lifted a prosecutorial finger against Congress for violating Public Law 95-435. This makes Congress one of the most notorious unpunished wrongdoers in the nation.

It is appropriate to focus on Congress' misconduct now because it is considering the proposed balanced budget amendment to the U.S. Constitution. Supporters insist it is the only device that could stop Congress from spending the nation deeper and deeper into debt. Democratic Sen. Paul Simon of Illinois and Republican Sen. Larry Craig of Idaho express this view in an article they have co-authored for Senior Class, a publication of the Seniors Coalition. The situation, as they describe it, is grim.

"The government," they write, "has spent more than it has taken in for 55 of the last 63 years; the budget was last balanced in 1969. The result is a federal debt totaling $4.3 trillion, or about $17,000 for every man, woman, and child in America, and growing."

If a con artist used the U.S. mail to dupe a citizen out of $17,000, federal prosecutors and judges would send him to prison for years. And they should, for that would be an atrocious crime. But for committing essentially the same kind of offense, Congress suffers not even a slap on the wrist.

Mark Twain observed that "It could probably be shown by facts and figures that there is no distinctly native American criminal class except Congress." He could have added that Congress also is the most privileged criminal class in America, even more immune from punishment than deadbeat fathers who fail to make child-support payments.

It is distressing to think that only a constitutional amendment would solve the problem; that Congress has so little regard for its own laws that it must fetter itself with a constitutional provision that has the specific blessings of three-fourths of the states. If it cannot trust itself, how can it expect to receive the trust and respect of the American people?

To be charitable, though, perhaps this is Congress' way of calling for help, of admitting that it is battling an addiction it cannot conquer alone. Maybe it has decided to emulate Alcoholics Anonymous.

"Hi, my name is Congress," it could be saying, "and I am a spendaholic."

Cluttering the Constitution with amendments is not the soundest way to govern. Before the nation goes to this extreme to solve the problem of deficit spending, it should insist on a true test of the Byrd law. The Justice Department should enforce that statute as strictly and as vigorously as it enforces the spotted owl law against the loggers of Oregon and Washington and the wetlands law against farmers and homebuilders. Not another person should the federal government send to prison for disturbing an environmentally protected bird's nest or marsh until it punishes Congress for its own transgressions against the taxpayers. Federal judges should put Congress in jail and keep it there until it agrees to abide by its own statutes. Does the Constitution guarantee equal protection of the laws or not?

Edward Grimsley, editorial page editor of the Richmond (Va.) Times-Dispatch, is a nationally syndicated columnist.

Chicago, IL
Tribune
Chicago Met Area

Tuesday D 691,941

NOV 23, 1993

N2258

Voice of the people

Balanced budget amendment is folly

CHICAGO—In the next few weeks, Americans will probably begin hearing about debate in Congress on a balanced budget amendment. If the legislation, sponsored by Sen. Paul Simon, passes both houses of Congress and three-quarters of state legislatures, it will amend the Constitution of the United States to require that Congress balance the federal budget each year.

The Coalition for New Priorities, which represents more than 100 civic, labor, community and advocacy groups in Illinois, is extremely concerned about the economic folly of this course of action in the quest to reduce the federal deficit.

First, the amendment is more likely to damage the economy than strengthen it. In a slow economy, federal revenues decline while the costs of programs such as unemployment insurance rise. Normally, to stabilize the economy the federal government increases spending and lowers taxes—yet a balanced budget amendment would demand that we do just the opposite, cut spending and raise taxes. The amendment thus risks making recessions more frequent and deeper.

Moreover, the amendment would require the budget to be balanced in a single year. Bringing the deficit to zero in one year would entail massive spending cuts or tax increases. This could slow growth substantially and possibly trigger a recession, costing many jobs.

Finally, deficits, in and of themselves, are not necessarily bad; it depends what the money is borrowed for. The constitutional amendment would largely deny the federal government a basic practice that most businesses, families and state and local governments use—borrowing to finance investments with long-term payoffs. Businesses borrow to invest in plant and equipment; families borrow to finance higher education and to buy a home; states and local governments borrow to finance roads, schools and other essential facilities.

The federal government needs to borrow to finance programs that represent sound investments needed to help the economy in the future, such as education and training, infrastructure, civilian research and development, and early intervention programs for children.

Deficit reduction needs to occur slowly, in the context of economic growth enhanced by public investment. However, deficit reduction is a politically volatile issue, and our senators and representatives are running scared. Unless they hear common-sense arguments against the balanced budget amendment from their constituents, they are likely to pass this measure.

That would be a catastrophe for our economy.

Elissa J. Bassler
Executive director
Coalition for New Priorities

Washington, DC
Post
Washington DC Met Area

Sunday SUN 1,170,160

NOV 21, 1993

N1740

Lyndon B. Clinton?

Twisting Arms, Making Deals And Reviving a Presidency

By Norman Ornstein

THERE'S NO rest for the weary winners. For the president, on his way to Seattle, there was barely time to savor his tough-minded win on NAFTA. The morning afta, the House was back to abortion clinic violence, ready to segue to the fight over a second wave of deficit reductions led by debate over the Penny-Kasich budget cuts, then on to reinventing government, campaign finance reform, crime, lobbying reform, among others—all before Thanksgiving, all requiring White House input and negotiations.

Tough issues all. Yet an ebullient White House perceives NAFTA as a showcase for a reinvented president, confident in his ability to master Congress and make things happen. Have we in fact gone from an Old Clinton, off-balance and uncertain in his dealings with the Hill, to a New Clinton—from a Carter clone to a Lyndon likeness?

The public, at least, is not so sure. On the eve of the NAFTA vote, polls showed 50 percent disapproving of the president's handling of the economy; if that signal isn't bad enough, more Americans trust Congress than Clinton on health care.

The poll numbers will no doubt change for the positive after the NAFTA victory. But they show a vexing problem for the president: Voters are unconvinced that he has mastered his job—and most important, are not yet persuaded that he has mastered Congress.

No question, NAFTA was a make-or-break vote, giving the president much-needed momentum and a measure of respect in the legislature. But those assets are not like precious metals that can be put in the safe and withdrawn when needed; they evaporate rapidly unless they are exploited and replenished. The key question is whether the president has learned lessons from this fight, and from his first year in office, that will keep him winning the big ones.

More than in any other way, a president is defined by his relationship with Congress: Does he push it around, or does it manhandle him? Look at most of Clinton's ups and downs in his first year; they revolve around Congress. Congress hamstrung him on gays in the military, resisted Zoe Baird, deflated his momentum on the budget. Congress was awed by his budget and health care speeches and brought him his big victories on the budget and NAFTA.

With NAFTA, Clinton showed he has learned the biggest lesson of governance: Define the watershed votes, raise the stakes—and do whatever it takes to win. NAFTA opponents have expressed (feigned?) indignation that the president horse-traded to win over both undecided lawmakers and a few committed against him;

See CLINTON, C8, Col. 1

Lyndon B. Clinton?

CLINTON, From C1

But this willingness to deal, and skill at doing so, may be the most promising element of the NAFTA process. Every successful president uses all the resources at his disposal to secure the votes needed to win. If Lyndon Johnson hadn't been willing to cut deals with individual lawmakers, there would have been no Voting Rights Acts in 1964 and 1965; if the Reagan White House had not wheeled and dealed, there would have been no tax reform in 1986.

Clinton's ultimate success, though, requires more than a couple of gutsy wins. Where he goes from here depends on whether he can learn a few lessons.

■ Think strategic, not tactical. David Gergen has brought a measure of coherence to the White House communications process, linking action to message. In contrast, the Clinton approach to Congress still has an ad hoc quality to it, taking issues as they come along, sending bills to Congress and then reacting to events and personalities through tactical maneuvering. When the inevitable crises have arisen, the president has responded with energy and dispatch. But successful presidents don't want only to put out fires; they try to prevent them. The come-from-behind quality of NAFTA was necessary because the president left the issue untouched until late in the game.

In the case of health care, it has been clear from the beginning that virtually every congressional committee would have a legitimate claim to a piece of any comprehensive plan the White House could introduce. Three House committees start with major jurisdiction: one, Ways and Means, with a subcommittee chairman, "Pete" Stark, entirely and openly hostile to the Clinton approach; a second, Energy and Commerce, with a strong-willed committee chairman, John Dingell, and an equally strong-willed health subcommittee chairman, Henry Waxman, with their own intense ideas about health care reform. Then there is a third, Education and Labor, with a membership tailor-made to take the Clinton plan sharply to the left, making it that much more difficult to move ultimately back to the center where the majorities are.

A strategist would have set the stage months before the introduction of the plan, creating an ad hoc committee in the House to handle health care, using the precedent of the successful ad hoc energy committee in 1977. The three chairmen would howl, but an ad hoc panel would enable the president to get a balanced committee, able to compromise early with the White House to avoid losing control in the Rules Committee or on the floor. It is probably too late to do so now—but at minimum, the president can get congressional leaders to create an informal panel to reconcile the various options that emerge from the disparate committees, and a process to expedite their actions.

Strategy also means thinking about the interrelationships of issues. Next up on the congressional agenda is the so-called Penny/Kasich deficit reduction plan, a compilation of sharp budget cuts focused heavily on Medicare and Medicaid, plus another whack at discretionary domestic and defense spending. The right to vote on the plan was guaranteed by the president in order to get the votes for his budget plan last summer. Penny/Kasich is supported by the Concord Coalition, pushed in the Senate by a bi-partisan group led by Bob Kerrey, and has generated substantial support from Democrats, especially freshman. The administration and the Democratic leadership in Congress oppose it; they believe the cuts are too deep for a fragile economy to sustain, and would use the already much-used savings from Medicare and Medicaid cuts for deficit reduction, instead of for financing universal coverage under health reform.

Simply opposing Penny/Kasich, however, may make it more difficult to head off the Balanced Budget Constitutional Amendment. A whole lot of members are willing to vote against one plan to balance the budget—but not two. Without a strategy, now, to build two opposing coalitions, the president might move directly from the budget-cutting frying pan into the constitutional amendment fire.

■ Define the agenda. In the early part of the NAFTA debate, the issue, framed by labor and Perot, was simply job loss. The president stayed out of the fray, and the anti-NAFTA forces moved into a commanding position. When the president fought back, redefining NAFTA as a broader issue involving the long-term future of the economy, the dynamic changed.

Smart presidents constantly define the agenda to force lawmakers to debate on the White House's turf. That doesn't just mean substance. In 1981, President Reagan defined the budget agenda in terms of two choices—vote for his plan, flaws and all, or let the economy sink further into the tank. In his State of the Union message, Clinton defined the budget agenda the same way. But pushing a separate vote on the stimulus plan allowed his foes to redefine the agenda as having a third alternative to the Clinton plan or nothing—change his plan for the better. And that spelled trouble.

On health care, the same lesson applies. As long as the alternatives are the Clinton plan (however compromised) or the status quo, the Clinton plan prevails. Once the choices expand to include the Cooper plan, the Chafee plan or the McDermott plan, any hope of controlling the process and claiming credit in the end disappears.

■ Move to where the votes are. With NAFTA, Clinton demonstrated another key to successful governance: Follow the votes—in this case, to the middle. NAFTA may be the strangest coalition ever assembled on a key issue, comprising 40 percent of the president's partisans and 75 percent of the opposition, but that kind of coalition was the only way to win. But for all the intra-party agony, the NAFTA victory was less embarrassing than the hand-to-hand combat required last summer to nail down that last Democratic vote for the budget. (Remember the Marjorie Margolies-Mezvinsky melodrama, and the Bob Kerrey dance?)

In 10 years as governor of Arkansas, Clinton dealt with a part-time, 135-member legislature that never had more than 15 Republicans. He never had to fall back on an axiom well known in Washington: Democrats form their firing squads in a circular fashion. Now he's learned that lesson painfully. Democrats fractured by NAFTA will push him to stay within the family. But on crime, reinventing government, welfare reform and health care, the only realistic coalitions he can develop are bipartisan ones.

■ No More Mr. Nice Guy. The president is now seen as a winner—but he is also seen as a soft touch. Thanks to the signals that this White House has sent throughout the year, the president has had to make more deals than he should have.

From the budget debate on, Clinton has given lawmakers clear signs that defying him will carry no cost, while supporting him early will bring no reward. He has tended to ignore the lawmakers who have been with him from the beginning and lavishly wined and dined the most defiant. One loyalist said to me before the NAFTA vote, "I was with the president from the start on this and on the budget. I've been to the White House exactly twice—once in a group. I look at these guys who spit in Clinton's eye, and then get private lunches, trips on Air Force One and goodies for their districts, and I can't help but ask myself—who's the schmuck here?"

It was no surprise, then, that many lawmakers held off committing themselves on NAFTA until they'd extracted concessions; others who committed early are waiting to see if this time the president will give them recognition and appreciation to match those given to NAFTA foes or last-minute converts. If not, no issue, including health care, will bring an early base of support.

Another wrong signal: the president reacted with affable equanimity to the early announcement by House Majority Whip David Bonior that he would use his party leadership offices and resources to oppose NAFTA. That reaction reinforced the impression of a president who could be defied openly, by a formal leader in his own party, with impunity.

Bill Clinton is still growing in the job of president, using his innate ability and his allies in Congress to stay alive as he learns the ways of Washington and Congress. Post-NAFTA, the task is tough. Labor is seething. Democrats are bruised. The Clinton agenda is fuller than any president's since LBJ. "The danger," said a House Democratic leader the day after the vote, "is that he'll use NAFTA as his model for future legislative battles—wait 'til the 11th hour, turn on the full court press, wheel and deal for votes and pull out a win. That's not a very good model for health care or welfare reform." For Clinton to convince the public of his mastery over Congress and his job, he must take NAFTA as a lesson not just in what is right in his approach to Congress, but what is wrong as well.

'I Spun Out of C

ROLLINS, From C1

in 1984, in large part because he was able to win record numbers of Democratic votes. Certainly Jim Florio tried—and failed—to win substantial Republican voters.

Christie Whitman was able to attract minority votes because she is a moderate Republican in the mold of former New Jersey Gov. Tom Kean. She won numerous endorsement from African-American community leaders and she campaigned hard for minority votes based on her solid record on civil rights, job creation and equal opportunity. Yes, there was also widespread disenchantment with the incumbent. But there is no other explanation—no illicit explanation—for Christie's remarkable 25 percent

with whom
slated to g
New Jerse
calls from
failed strat

So I we
ries and a
knew it, n
own.

Yet, des
ging, one
stood from
imply at t
spent on "
ure repres
budget fo
phone ban
ing around

Washington, DC
Post
Washington DC Met Area

Tuesday D 855,171

OCT 26, 1993

N1740

Cowing the Majority

A FEW WEEKS AGO, the House Democrats were shamed by the Republicans into accepting a rules change aimed at making it easier for majorities to force legislation out of resisting House committees. The Republicans said in the course of the fight that they were the party of open government and majority rule; the Democrats were the thugs.

Today in the Senate, a second vote is scheduled on a motion to invoke cloture and end a filibuster against western rangeland reform provisions in an Interior Department appropriations bill. Here again a minority in Congress is using the rules to thwart the will of the majority—but this time the minority is mainly Republican. The party that in September was an advocate of majority rights turns out in October to believe in minority rule as well—when it suits. That's how it almost always is with principled procedural positions on the part of either party. Procedural principles tend to follow self-interest.

Thus a lot of Republicans who were complaining last month about the periodic bottling-up of majority sentiment in the House are also supporters of the so-called balanced budget amendment to the Constitution, which would require three-fifths votes of both houses to adopt an unbalanced budget or raise from year to year the statutory ceiling on the national debt. Minority rule in that case would constitute good government, they say. The Democrats having won back the White House last year, the parties are also both busily reassessing their views of the powers of the presidency. The debate extends all the way from the right to conduct foreign policy to the revival of the independent prosecutor statute.

Some House Democrats are also suggesting that a general restructuring of Congress expected next year in the name of reform should include an end to the filibuster rule. Republicans say the reforms should include a bolstering of minority rights in the House; the Democrats say fine, but only after there is also a bolstering of majority rights in the Senate. The Interior appropriations bill is their latest text. The rangeland reforms include an increase in grazing fees on federal land, meant in part to discourage overgrazing, and some changes in rangeland management and improvement rules. Some of the latter would reverse decisions in behalf of private use of public land by Reagan administration Interior Secretary James Watt. Clinton administration Secretary Bruce Babbitt has threatened to put them into effect by regulation if Congress won't do it statutorily.

He's right on the merits, but this has become a procedural battle as well. The House voted 317 to 106 for the rangeland provisions; the Senate in its first vote on ending the filibuster last week split 53 to 41 in favor of cloture, which under the Senate rules was seven votes short. Only two Republicans joined the Democratic majority in support of the cloture petition, and only five Democrats, all westerners, joined the Republican minority in voting against it. If Republicans were so in favor of majority rule in the House in September, why aren't they also in favor of it in the Senate in October?

Washington, DC
Times
Washington DC Met Area

Monday D 92,000

OCT 25, 1993

N27070

LUCE PRESS CLIPPINGS

LARRY CRAIG / PAUL SIMON

Economic security in the balance

"Once the budget is balanced and the debts paid off, our population will be relieved from a considerable portion of its present burdens and will find out new motives to patriotic affection, (and) additional means for the display of individual enterprise."

That statement, as relevant as today's news, was made more than 150 years ago by President Andrew Jackson. This perspective on the federal government and the economic well-being of the people, once at the very foundation of our political system, urgently needs to be reasserted.

It should be, early in November when Congress takes up our Balanced Budget Amendment to the Constitution, S.J.Res. 41.

Federal budget deficits are not an abstract problem; they are now the single biggest threat to our nation's economic security. When the economy is unstable, seniors on fixed incomes suffer the most.

The government has spent more than it has taken in for 55 of the last 63 years; the budget was last balanced in 1969. The result is a federal debt totaling $4.3 trillion, or about $17,000 for every man, woman and child in America, and growing.

Like every family and business, when the government borrows, it must make interest payments. Annual gross interest on the debt now runs about $300 billion, making it the second-largest item of federal spending, next to Social Security. This amount equals an incredible 57 percent of all personal income taxes.

Every dollar borrowed incurs interest costs that result in significantly fewer dollars for high-priority programs and in higher taxes. With a growing population depending on Social Security, the best way to ensure its continued soundness is to stabilize the economy and reverse the growth in interest costs — which compete with Social Security for dollars — by balancing the budget.

The fiscal costs and economic drag of the federal debt imperil both seniors today and their children. Last year, Congress' nonpartisan General Accounting Office said that, if nothing changes, our children's standard of living in the year 2020 will stagnate at today's levels — putting an end to the American dream of each generation leaving the next a legacy of opportunity. In contrast, balancing the budget by 2001 would produce a 36 percent improvement in the nation's standard of living by 2020.

Who collects interest payments on the federal debt? About 15 percent goes overseas. Almost all of the rest goes to large banks, corporations, state and local governments and wealthy investors. Thomas Jefferson objected to any federal indebtedness, fearing that taxes on farmers, laborers, merchants and their families would escalate forever to pay the interest on a growing debt.

Why has it been so hard to balance the budget? The unlimited ability to borrow leads naturally to unlimited demands to spend. Every American belongs to at least one group that benefits from federal spending. And everyone would like to see his or her taxes held down. If you don't have to say "no," then many elected officials see only political peril in doing so.

Our system of government has changed fundamentally: While almost all Americans want a balanced budget, there's no way to put this general, public interest on a level playing field with the specific demands of mobilized, organized interest groups.

That is, there's no way to make it a fair fight until we add to the Constitution a rule the government can't break, that guarantees we get no more government than we are willing to pay for and calls on us to pay for all the government we demand.

Fifty years before Jackson, Jefferson said, "We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves. . . . I wish it were possible to obtain a single amendment to our Constitution . . . an additional article, taking from the government the power of borrowing."

It's time to live up to Mr. Jefferson's vision.

Sens. Larry Craig, Idaho Republican, and Paul Simon, Illinois Democrat, wrote this article for Senior

Evansville, IN
Courier
Evansville Met Area

Tuesday D 64,384

OCT 5, 1993

N2492

Moseley-Braun leans toward NAFTA

Doug Sword

Courier
Washington bureau

Not all Democrats, or even liberal Democrats, are against the North American Free Trade Agreement.

Sen. Carol Moseley-Braun, the freshman Democrat from Illinois, says she is "leaning favorably" toward supporting NAFTA. She's not buying into Ross Perot's "sucking sound" of jobs leaving for Mexico, either.

"Is the sucking sound real? I don't think it is," she said recently.

U.S. TARIFFS are only about half as much as Mexican tariffs, whose elimination would boost U.S. trade south of the border. While makers of broomcorn brooms in southern Illinois are upset about the likely prospect of losing jobs because of the treaty, the "vast majority" of companies in Illinois support NAFTA, the senator says.

"What are you talking about sucking sounds for? Why are you scaring people?" she asked of Perot. "If a company wanted to leave Illinois, they have, they are and they will; they'll do that whether we have a NAFTA or not."

While the treaty is expected to have a rough time in the House, supporters are confident of Senate passage.

In the Tri-State, Sens. Moseley-Braun, Richard Lugar, R-Ind.; Dan Coats, R-Ind.; and Mitch McConnell, R-Ky., are for the treaty. Sen. Wendell Ford, D-Ky., was leaning against the treaty, while Sen. Paul Simon, D-Ill., hadn't announced a position.

★★★

You've really got to watch these holier-than-thou types in Washington. Take Rep. Charles Stenholm, D-Texas, chief sponsor of the Balanced Budget Amendment last year and crusader against wasteful spending.

BUT STENHOLM has other, more parochial, interests, too.

He's been the chief defender of the $190 million wool and mohair subsidy, which was nixed by the House last week and finally looks to be on its way out.

The original reason for the World War II-era subsidy was to protect an industry important for national defense. That argument's gone, but Stenholm has still defended the subsidy as crucial for the protection of yet another endangered American industry — an American industry, by the way, that is concentrated in Texas.

Funny, I don't remember Stenholm making such arguments for other industries, like the U.S. machine-tool makers, whose continued existence was still important for national defense, when their business was dying in the 1980s.

BUT, I'M SURE Stenholm will be back to argue for the Balanced Budget Amendment, countering opponents' contentions that an amendment won't accomplish what a little political courage would.

His defense of the mohair industry should make his case.

★★★

Remember that once-popular, soul-chilling bumper sticker you used to see on the little Yuppie-mobiles? — "He who dies with the most toys, wins."

It's been heart-warming to see a new T-shirt that seems to be gaining in popularity, that puts the contest for attaining luxury-level disposable income in context — "He who dies with the most toys, is still dead."

Washington, DC
Post
Washington DC Met Area

Friday D 866,171

NOV 5, 1993

N1740

LUCE PRESS CLIPPINGS

Clinton Maps Opposition to Budget Curb

By Ann Devroy
Washington Post Staff Writer

In a move fraught with political peril, President Clinton today plans to send Congress a letter opposing the latest version of the balanced budget amendment scheduled for a Senate vote later this month.

The constitutional amendment, whose sponsors claim to have more than 60 supporters in the Senate, would prohibit the government from spending more than it raises in revenue unless 60 percent of the House and Senate vote otherwise, or in times of war or national emergency.

In addition, it would require that tax increases be approved in a roll call vote.

The administration has been split on the legislation, with some advisers arguing that opposing efforts to balance the budget is too risky, particularly when the president has been sharply attacked in his first months for being a "tax-and-spend" liberal.

But a senior official said Clinton had decided the amendment was "irresponsiible, a recipe for government paralysis, bad economics and a guarantee that nothing will get done in Congress at all."

The National Taxpayers Union has pushed the amendment or a version of it for a dozen years, but it has always fallen short in Congress. Last year, the Senate fell 11 votes short and the House nine votes. But a huge class of freshmen in the House all but ensures passage there.

Sen. Paul Simon (D-Ill.), sponsor of the legislation, has said he is within two votes of the 67 needed for passage, despite the opposition led by Appropriations Committee Chairman Robert C. Byrd (D-W.Va.) and Senate Majority Leader George J. Mitchell (D-Maine.) Byrd has called it "a dangerous quick fix intended to let politicians relax and claim to have solved the nation's worst problem" and the "nirvana of irresponsibility." He argued that if Congress wants to reduce spending and balance the budget, it should do so.

One administration official not in the White House said "almost nobody there" was in favor of Clinton's ultimate decision to oppose the amendment, with most arguing he was "on the wrong side of public opinion, on the wrong side of the spending issue and on the wrong side of voters, considering Tuesday's results."

Washington, DC
Post
Washington DC Met Area

Monday D 855,171

NOV 15, 1993

N1740

JACK ANDERSON and MICHAEL BINSTEIN

Primal Scream as Public Policy

The proposed balanced budget amendment can be linked to term limits and the line item veto in at least one key respect: They are primal screams masquerading as public policy, feel-good therapy allowing politicians to remain in deep denial.

There is little wonder why the amendment has growing political allure. A vote on the measure was recently postponed until February, and Senate supporters are gaining steam. As President Clinton noted in a recent letter sent to congressional leaders, the amendment is a "budget gimmick." Clinton warned that it was so vague that appointed judges with lifetime tenure would wind up making the decisions.

The measure itself is a misnomer, because balanced budgets would not be required, nor would they likely be the result. Rather, it would take a simple three-fifths majority, instead of the current majority, of the House and Senate to pass an unbalanced budget. A constitutional amendment does not magically compel a consensus; it just creates a game of chicken between tax hikers and spending cutters. Presidents would inevitably get stuck in the middle, giving away political goodies to win undecided votes.

"If we avoid such straightforward debate now, the likely outcome will be accounting subterfuge and gimmicks when the easy promise of a balanced budget amendment runs up against difficult political realities," Clinton wrote. "A gridlocked Congress would encourage members to look for an easy way out."

Clinton might be supporting the amendment were it not for the efforts of his outspoken budget chief, Leon E. Panetta, who has been a sworn enemy of the amendment since he served in Congress. As Clinton flirted with supporting the amendment, Panetta was worried enough that he worked the telephones against pro-amendment colleagues. Panetta confided to congressional leaders his fear that Clinton was edging toward endorsement, even though he hedged on the issue during last year's campaign. He urged them to phone the president and ask for his opposition to the amendment, sources say. A Panetta spokesman said he is "not aware of anything like that."

Just days before the president's letter rejecting the proposed amendment, its chief Senate sponsor, Sen. Paul Simon (D-Ill.), thought he had a convert. But he also knew he was wading into a White House brawl. "My impression was he is personally sympathetic, but obviously with the staff pulling him in two different directions, it is an awkward one for him," Simon told us.

Simon usually is one of the most conscientious members of the Senate, and certainly one of the most charitable when it comes to domestic spending. Along with liberal Rep. Joseph P. Kennedy II (D-Mass.), who also supports a version of the amendment, they are a curious tandem of fiscal teetotalers.

As he pushed the amendment last year, for example, Kennedy revealed the fine print of his own support: "There are times, even when you want a balanced budget, when you must act to address the needs of American cities, which are burning." And when Congress tried to close some wasteful military bases in Kennedy's native Massachusetts, balanced budgets apparently weren't on Kennedy's mind as he fought to save the bases.

Simon also is no budget hawk when it comes to preserving his state's military bases. Three days before the Pentagon unveiled a list of closings last March, Simon appealed to Defense Secretary Les Aspin to save the Great Lakes Naval Training Center. During his failed presidential bid in 1988, Simon boasted that he could increase social spending and balance the budget without raising taxes, which some fellow Democrats ridiculed as "Reaganomics with a bow tie."

A House Budget Committee report last year tallied the true costs of one version of a balanced budget amendment: Even if Congress cut the space station, the Superconducting Super Collider, the Seawolf submarine projects and veterans hospitals and gutted funding for small business loans, rural housing, mass transit, airports, community development, the arts and maternal health care, it still would leave lawmakers less than halfway toward the goal under a five-year balanced budget plan.

"I've always said that if we passed the balanced budget it will cause us to cut some spending and increase taxes," Simon maintains. "Those are the kinds of things you have to look at once you pass a balanced budget amendment. I think everything has to be on the table."

In the meantime, the check is in the mail.

Washington, DC
Post
Washington DC Met Area

...sday D 855,171

NOV 10, 1993

N1740

SEN. PAUL SIMON
...or reluctant to risk vote now

Vote on Balanced Budget Amendment Postponed

By Eric Pianin
Washington Post Staff Writer

Congressional leaders have decided to put off a showdown vote on a proposed balanced budget amendment until early next year despite pledges that the vote would occur this year.

The proposed amendment, a grand scheme promoted for years by Republicans and mostly conservative Democrats, appears to have gained support this year, largely because of an influx of new members in both chambers. Proponents insist it will take enactment of a constitutional amendment to force members to take the politically unpopular steps necessary to eliminate the deficit.

Senate Majority Leader George J. Mitchell (D-Maine) had promised advocates to bring the constitutional amendment to the floor late this year. But he informed senior senators yesterday afternoon that he had decided to put off the vote until February to help clear the way for adjournment this month, according to one of those senators. House Speaker Thomas S. Foley (D-Wash.) also has put off consideration of the amendment until next year.

Sen. Paul Simon (D-Ill.), chief Senate sponsor of the amendment, acknowledged he was reluctant to risk a vote so late in the year in the face of staunch opposition from Senate Appropriations Committee Chairman Robert C. Byrd (D-W.Va.), a master of parliamentary warfare.

Byrd has delivered two speeches in the past two weeks attacking the proposal as "political sorcery" and warning that the amendment could destroy the congressional budgetary process and undermine the economy. Byrd also has met privately with undecided senators, seeking to coax them into opposing the measure, and has rallied numerous labor and church groups and other interests that would suffer from spending cuts if Congress were obliged to eliminate the federal deficit.

President Clinton, who opposes the amendment, said in a letter to congressional leaders Friday that it would hurt the average family and necessitate a combination of "huge" tax increases, massive reductions in Social Security benefits and major cuts in Medicare and Medicaid.

Byrd said he was "reasonably confident" he could have defeated the amendment this year, but that it may be more difficult when members are running for reelection.

The amendment, designed to produce a balanced budget beginning in fiscal 1999, states that outlays of federal funds cannot exceed receipts in any fiscal year and that the statutory limit on the national debt cannot be increased. It would take three-fifths majorities of both houses to waive those requirements.

Under the proposed amendment the president would be required to send a balanced budget to Congress. That requirement could be waived in case of war.

Washington, DC
Post
Washington DC Met Area

Thursday D 855,171

NOV 18, 1993

N1740

LUCE PRESS CLIPPINGS

A 'Bracing' Incentive

Sen. Robert C. Byrd's (D-W.Va.) "A Hollow and Dangerous Promise" [op-ed, Oct. 31] would seem to offer little hope that our country will ever be able to cure its deficit spending habits. After thoroughly discounting any chance of success of a balanced-budget amendment, he states: "I don't see how a constitutional amendment will give us politicians any more spine than we now have." I think most everyone agrees that our legislators have demonstrated that their amount of spine approaches zero.

I'd like to suggest that Sen. Byrd's long firsthand experience with deficit spending has blinded him as to how a balanced-budget amendment could be framed to be effective. I believe it was Ross Perot who suggested that the amendment include a provision for immediate elections of all members of Congress whenever the budget is seriously out of balance at the end of a year. Although this might not give legislators "spine," it might well serve as a "brace" and give them an incentive toward fiscal responsibility.

ROLAND M. SUAREZ
Export, Pa.

Washington, DC
Post
Washington DC Met Area

Monday D 855,171

NOV 1, 1993

N1740

A Sloppy Way to Govern

TO PASS his budget last summer, President Clinton had to promise some further votes on fiscal matters later in the year. Those fuzzy and incautious promises are now coming due. The problem for the president and the leadership in Congress is that they may not have control over the terms of the votes. The anti-spenders are teeing up the choices in such a way that members will mainly be able to vote against spending in the abstract, say yes to cutting without saying how. That will be fine for the holidays; everyone can go home having cast the perfect vote, which is always for virtue without pain. Only later will they—or someone—have to figure out how to govern within the limits to which these showy and unwise propositions would condemn them.

The most dangerous of the proposals is the misnamed balanced budget amendment to the Constitution. It's the granddaddy of false promises. It wouldn't require a balanced budget, just a three-fifths vote in both houses to pass an unbalanced one. It would empower minorities; anyone with an idea that could command the allegiance of 41 percent of either house could hold the government hostage. The theory is that such a system would somehow lead to leaner government. The effect would much more likely be the opposite.

There are lots of years when for economic or social reasons the government ought to run a deficit. To do so the party in power would have to win the support of 20 percent more members in each house than it does today. The president, or someone, would have to bargain with more stray members; who thinks that that would lead to an epidemic of self-denial? Last summer, when this president needed every Democratic vote, is a case in point. By all means reduce the deficit, the professed fiscal conservatives of the party came round to say one after the other, but surely not at the expense of . . . imposing an energy tax, increasing grazing fees, cutting farm supports as much as the president proposed, taxing a larger share of Social Security benefits, cutting defense, cutting Medicare. The president had to deal for votes and then was condemned for dealing by some of the very people who threatened to withhold their votes until he dealt. Will they change the Constitution to bar that too?

In the House, meanwhile, some members now also are proposing what they describe as $103 billion in further spending cuts over the next five years. To lock some of these supposed savings in place, they would reduce the already tight appropriations caps that were set for the next several years in the budget. The problem is, they don't specify enough new cuts to get the caps down to the new levels they propose; instead they try to snatch some administration proposals that the president needs to get spending down to the existing caps. No fair; by one estimate, to get total spending down to the point they propose, they would have to list $70 billion more in specific cuts than they have. That's the opposite of a blank check; it's a blank cut. They would also preempt and pocket as "cuts" some health care savings that the president has proposed to use in financing health care reform.

This is no way to do the government's business. The amendment and proposed cuts both are ragged, slapdash policymaking that a lot of members think would do them some short-term political good. They would meanwhile do the country long-term substantive harm. The Democrats should beat them back.

Washington, DC
Post
Washington DC Met Area

Friday D 855,171

NOV 19, 1993

N1740

Debating a Balanced Budget Amendment

In attempting to dissuade Congress from passing a balanced budget amendment to the Constitution, The Post actually makes a solid case as to why the initiative should be approved ["A Sloppy Way to Govern," editorial, Nov. 1].

With the discipline imposed by a balanced budget amendment, Congress would not be able to resort to hocus-pocus to meet budget targets—a practice that The Post rightfully condemns.

Just as the 1988 military base closure law succeeded in putting national interests over parochial interests, a balanced budget amendment would force members of Congress to make tough choices among programs and prioritize spending. The onus will be on the special interests to deal for a supermajority of votes to evade a balanced budget requirement, not on the president to win a mere majority to meet it.

For example, if faced with the choice of funding the Women, Infants and Children program in all congressional districts or funding a special highway project, research grant, farm subsidy or the like that benefits only a few, it's not hard to tell how most members of Congress would vote. The balanced budget amendment provides the framework for making responsible budgeting decisions.

The long-term substantive harm will come to the nation not if Congress passes a balanced budget amendment but if it does not. Continuing huge deficits will soon produce interest payments on the national debt so large that little money will be left for any of the nation's priorities.

JON KYL
U.S. Representative (R-Ariz.)
Washington

■

I read with interest the Nov. 8 lead editorial ["Distorting the Constitution"] opposing the balanced budget amendment. The Post argues that an amendment wouldn't likely produce a balanced budget; in fact, the editorial says, "It is a means of deferring precisely the [fiscal] discipline that it pretends to impose."

I next read the second Nov. 8 editorial lamenting the Senate's "Feel-Good Crime Bill," in part because it was financed by "funds [actually only potential future savings in the budget] the administration had already identified for deficit reduction." The Post (correctly, in my opinion) describes this form of financing as "fakery."

I submit that The Post's argument against the balanced budget amendment is spurious. As the second editorial illustrates, as long as Congress has the power of the purse, it will have the means for "putting off the frugality until later." Why not at least make the process more difficult?

JEFFREY G. HALE
Springfield

BALANCED BUDGET IS GAINING SUPPORT AMONG SENATORS

LEFT AND RIGHT BACK PLAN

President Says Constitutional Proposal Would Hurt Effort to Pass Health Overhaul

By ADAM CLYMER
Special to The New York Times

WASHINGTON, Nov. 5 — Conservatives who hate raising taxes and liberals who cannot stand to cut spending have joined to bring the Senate to within a handful of votes of passing a constitutional amendment to require a balanced budget.

Senator Paul Simon, the liberal Democrat from Illinois who is the measure's chief sponsor, is not yet predicting victory in the vote later this month, but he said in an interview that he had detected a gradual increase in support. He has been pushing the measure for several years, and won a promise from the Senate majority leader, George J. Mitchell of Maine, a firm opponent of the amendment, for a vote sometime in this Senate session, which may end by Thanksgiving. — vote / Feb '94 ?

The deficit issue has forced itself over the years into the consciousness of both the right and the left, and it is good politics to promise to do something about it.

Clinton Denounces Amendment

While most people think that the only way to cope with the deficit is to both raise taxes and cut spending, each wing of this tenuous alliance argues that only the approach the other side dislikes need be used.

But the opponents, led by Senator Robert C. Byrd, the powerful Democrat from West Virginia, got a boost on Friday when President Clinton weighed in on their side. Mr. Clinton denounced the amendment as a "budget gimmick," and said it was so vague that appointed judges would end up making decisions elected lawmakers should take on.

Mr. Clinton's letter to Congressional leaders said the amendment would hurt average American families and require some combination of "huge increases in taxes," "massive reductions in Social Security benefits" and "major cuts in Medicare and Medicaid that would make it impossible to pass meaningful health reform legislation."

He said the last effect would be particularly counterproductive because health legislaton was "the nation's best hope of bringing down the long-term deficit."

60 Senators Back Plan

While Presidents have no veto on constitutional amendments, Mr. Clinton's intervention still matters, especially because 16 of the 20 senators who have not announced their position on the measure are Democrats. With 60 supporters identified through public statements and interviews and 20 declared opponents, the backers need only 7 of the undeclared senators to get the two-thirds majority an amendment

Tribune
Chicago Met Area
D 691,941
DEC 2 1993
N2258
LUCE PRESS CLIPPINGS

Nation/World

Balanced-budget jab seems aimed at Simon

By Elaine S. Povich
TRIBUNE STAFF WRITER

WASHINGTON—Advocates of a constitutional amendment to balance the budget talk a good game but balk when given specific opportunities to cut spending, Senate Majority Leader George Mitchell said Wednesday.

Though the Maine Democrat refused to name those he believes to be insincere about the amendment, his strongly worded attack appeared to be aimed at Sen. Paul Simon (D-Ill.), chief Democratic sponsor of the amendment, and several others.

Mitchell's office released a list of 25 opportunities in which senators could have voted to reduce the federal budget this year. They ranged from eliminating the Rural Development Administration for a saving of $8 million, to killing the National Endowment for the Arts ($170 million) and cutting back the space station ($1.4 billion). A separate tally showed Simon voting to reduce spending nine of the 25 times.

At a luncheon meeting with reporters, Mitchell repeated his "Law of Deficit Reduction Speeches," which he said is as "reliable as the law of gravity."

"The ones who make the most and loudest speeches about deficit reduction are the ones least likely to actually vote for spending cuts," he said.

He also described advocates of the balanced-budget amendment as "people who won't vote to cut spending but want to appear to their constituents to be doing something about the deficit. [They] propose a process, conveniently to take place some distance in the future."

Simon, reached later Wednesday, called Mitchell's discourse a "false argument."

"The basic question is, do we need some kind of restraint that forces us to reduce spending and increase revenue if necessary to move us to a balanced budget?

"In theory, we don't need it; in practice, we do," Simon said.

He recalled that earlier this year he had introduced a bill to expand long-term Medicare services and pay for it by raising the Social Security tax by half a percentage

Simon

Mitchell

point. Another senator, whom he refused to identify, said he would support Simon's bill but balked at the tax. A balanced-budget amendment would require that such program expansion would have to be paid for, either with a tax increase or an offsetting spending cut.

Simon did not dispute Mitchell's citations of his votes on budget-cutting opportunities but did point out that he was one of only four senators to vote against the Senate's overall anti-crime bill this year, specifically because the Senate increased the bill's cost by $13 billion. Mitchell voted for it.

He also said other compilations of budget votes show him in the top third of the Senate in voting for key spending cuts.

Mitchell, despite his opposition to the proposed balanced-budget amendment, has promised to bring it to the Senate floor next year.

It requires a two-thirds vote, or 67 out of 100 senators, to pass, and the vote is expected to be close. Forty-eight senators have sponsored the legislation, including Sen. Carol Moseley-Braun (D-Ill.), who signed on early in the process, and 14 other Democrats.

There appeared to be new support for the amendment early this year after efforts to pass it failed in the House and Senate last year. But Sen. Robert Byrd (D-W.Va.), powerful chairman of the Senate Appropriations Committee, strongly opposed the amendment, and the Clinton administration also weighed in against it.

Mitchell said Wednesday he hopes the amendment will not pass in the Senate. House Speaker Thomas Foley (D-Wash.) has said the House will consider the amendment if the Senate passes it.

Post
Washington DC Met Area

Sunday SUN 1,170,160

OCT 31, 1993

N1740

Robert C. Byrd

A Hollow and Dangerous Promise

Wishful thinking won't balance the budget.

Talk of a balanced budget constitutional amendment is again in the Washington air, proving that the days of quack medicines and vaudeville magic shows are not yet in the past. This current version, S.J. Res. 41, states that "total outlays for any fiscal year shall not exceed total receipts for that fiscal year."

What about these terms of budgetary art, "outlays" and "receipts"? The amendment states that Congress may rely on estimates of outlays and receipts for purposes of its implementation because total outlays and receipts cannot be known at the beginning of any fiscal year and estimates are all we have. But in reality, actual outlays and receipts often vary from estimates by billions. We cannot actually know what the Treasury has spent—the outlays—until Treasury has issued all of the checks at the end of the fiscal year.

The point is that no matter how hard we may try to project actual outlays and receipts, we will invariably fail. Receipts are often lower than expected, and outlays are often greater, and nothing in the proposed amendment addresses that problem. In fact, whether the budget is in balance cannot be accurately known until after the end of each fiscal year, when it would be too late to correct the shortfall.

Moreover, S.J. Res. 41, if passed by Congress and ratified by the states, would require that the federal budget be balanced annually—whether we have a strong or a weak economy—unless three-fifths of the whole number of both House of Congress waive the requirement. Large spending cuts or tax increases or both would thus be required yearly, whether the economy was booming or busting—exactly what Dr. Kevorkian would order to help a sick economy die a speedy death!

The amendment, therefore, would practically ensure that recessions will be deeper and longer. By mandating a balanced budget by 1999—a year in which a $223 billion deficit is projected by the Congressional Budget Office—severe and sudden budget cuts would most certainly end public investments in roads, airports, waterways, education, civilian research and development, and defense planning—not to mention precipitous cuts in entitlement programs and large tax increases, provided the numerical obstacle course thrown up by this amendment in the case of tax increases can be overcome.

Yes, that's right, the amendment makes balancing the budget a constitutional mandate and then, in that same language to be grafted onto the Constitution, in effect removes one of the tools to accomplish the task! This proposal would actually put the government in the hands of a minority when it comes to a tax increase to balance the budget. Two-fifths plus one member of either body could block a tax increase for the purpose of putting the budget in balance. Thus, the amendment would tend to balance the budget on the backs of the elderly and the working people who would be hurt most by the budget cuts. Do we want to "rig" the Constitution in such a way as to favor one group over another when it comes to getting our budget in balance? I certainly think not. If we are going to put that kind of a "no tax increase fix" in constitutional budget-balancing language, then we ought to do the same for tax reductions.

And what of this oft-repeated argument that 49 states have some type of balanced-budget requirement? The argument is mindlessly simplistic and really not relevant. The states are not required to "raise and support armies," or "provide and maintain a navy," or provide for the "common defense and general welfare of the United States," nor do they carry the burden of conduct of international affairs or fiscal and economic policy for the nation.

Most states use capital budgeting techniques, and their "balanced budget" requirements generally affect only their operating budgets. In fact, the states are in debt. They incur bonded indebtedness, borrow money for highways, schools, prison facilities, unemployment, recreation and health facilities etc; they are also greatly assisted by the federal contribution to their financial well-being. Such federal assistance to states, however, would most certainly be sharply curtailed if we aped their balanced budget requirements at the federal level. The federal budget is a unified one. So, such an amendment would require total balance.

"I do not see how a constitutional amendment will give us politicians any more spine than we now have."

Businesses borrow to finance everything from high-tech equipment to bigger dumpsters. Families borrow to buy a car, educate a child or purchase a home. Borrowing to invest for a better tomorrow is hardly seditious activity. Are we willing to deny the federal government the ability to borrow and invest on behalf of future generations?

In short, this amendment is bad business for our Constitution. Even worse, it is a deception because it amounts to nothing more than a precatory expression of pious hope. In fact, it will not balance the budget. God said, "Let there be light," and there was light. But man is not God, and to say that outlays for any fiscal year "shall not exceed total receipts," does not make it happen, any more than would be the case if a constitutional amendment were added stating that the forest primeval shall be restored by the year 2000. Saying it will not make it happen, even if it is the Constitution that says it. To adopt such an amendment will only give us politicians the next election to pat ourselves on the back and tell the people we have done something. Congress and the president already have the power to work toward a balanced budget. Why don't we just do it now instead of putting off the hard decisions until the amendment is ratified? The reason is that making these very tough decisions is unpopular. Voting to cut entitlements, cut programs, cut defense and raise taxes does not encourage one's constituents to build statues. The bottom line is courage. I do not see how a constitutional amendment will give us politicians any more spine than we now have.

Instead, we will typically put hard decisions off until the last possible moment, when our budget-balancing actions will have to be precipitous, which, of course, is the worst possible thing for our nation's economy. If we succeed in grafting this wart full of wind onto our Constitution and it fails for lack of enforcement, the Constitution would be demeaned and cheapened. We would have a government operating outside the legitimacy of its own Constitution, and that great and revered document would be under a cloud. If the people's faith in the Constitution fails, then what have we left as a nation? If this balanced budget provision is avoided and violated with impunity, which it is likely to be, why not violate the First, Fourth, Fifth or any of the other amendments that are central to our individual freedoms and way of life?

On the other hand, the end result of the adoption and enforcement of this false and unwise amendment would be to pave the way for the ultimate resolution of its impact by the courts. Beneficiaries of programs arbitrarily cut would turn to the courts for recourse. If the courts concluded that the Constitution required that a tax be imposed to bring receipts and outlays in line, the destruction of our precious constitutional checks and balances would have been achieved.

This "great idea" is a dangerous quick fix intended to let the politicians relax and claim that they have solved the nation's worst problem. It is the nirvana of irresponsibility to claim that this amendment will do anything constructive except get a few people reelected—if, in fact, that can be viewed as constructive.

"We must never forget that it is the Constitution we are expounding," said Chief Justice John Marshall, in *McCulloch v. Maryland.* My own modest footnote would be: Let us not forget that it is the Constitution we are amending.

The writer, a Democratic senator from West Virginia, is chairman of the Appropriations Committee.

Clinton Maps Opposition to Budget Curb

Wash Post 11/5

By Ann Devroy
Washington Post Staff Writer

In a move fraught with political peril, President Clinton today plans to send Congress a letter opposing the latest version of the balanced budget amendment scheduled for a Senate vote later this month.

The constitutional amendment, whose sponsors claim to have more than 60 supporters in the Senate, would prohibit the government from spending more than it raises in revenue unless 60 percent of the House and Senate vote otherwise, or in times of war or national emergency.

In addition, it would require that tax increases be approved in a roll call vote.

The administration has been split on the legislation, with some advisers arguing that opposing efforts to balance the budget is too risky, particularly when the president has been sharply attacked in his first months for being a "tax-and-spend" liberal.

But a senior official said Clinton had decided the amendment was "irresponsiible, a recipe for government paralysis, bad economics and a guarantee that nothing will get done in Congress at all."

The National Taxpayers Union has pushed the amendment or a version of it for a dozen years, but it has always fallen short in Congress. Last year, the Senate fell 11 votes short and the House nine votes. But a huge class of freshmen in the House all but ensures passage there.

Sen. Paul Simon (D-Ill.), sponsor of the legislation, has said he is within two votes of the 67 needed for passage, despite the opposition led by Appropriations Committee Chairman Robert C. Byrd (D-W.Va.) and Senate Majority Leader George J. Mitchell (D-Maine.) Byrd has called it "a dangerous quick fix intended to let politicians relax and claim to have solved the nation's worst problem" and the "nirvana of irresponsibility." He argued that if Congress wants to reduce spending and balance the budget, it should do so.

One administration official not in the White House said "almost nobody there" was in favor of Clinton's ultimate decision to oppose the amendment, with most arguing he was "on the wrong side of public opinion, on the wrong side of the spending issue and on the wrong side of voters, considering Tuesday's results."

OPPOSE THE BALANCED BUDGET AMENDMENT

October 25, 1993

Dear Senator:

We the undersigned organizations, strongly urge you to oppose a balanced budget amendment to the United States Constitution.

The proposed constitutional amendment is not the answer to the nation's economic problems. By enacting a deficit reduction package of nearly $500 billion earlier this year, Congress has shown it can address the deficit in a responsible fashion without a constitutional constraint.

The most important next step in controlling the deficit is tough national health care reform that substantially reduces the long-term growth rate in health care costs. Congress will soon consider President Clinton's health care reform plan.

The proposed balanced budget amendment is likely to damage the economy more than strengthen it. The amendment would require larger spending cuts or tax increases in years of slow growth than in years of rapid growth, precisely the opposite of what is needed to stabilize the economy and avert recessions. The amendment thus risks making economic recessions more frequent and deeper.

A constitutional amendment would also be likely to limit public investments which are critical to long-term economic growth because the amendment fails to distinguish public investments needed for growth from other areas of government spending. The amendment would largely deny the federal government a basic practice that most businesses, families, and state and local governments use – borrowing to finance investments with long-term payoffs.

This amendment has no place in the Constitution of the United States. It would inappropriately draw the judicial branch of government into the determination of fiscal and economic policy. The amendment also undermines the important constitutional principle of majority rule by establishing a three-fifths vote to allow a budget to go unbalanced.

We strongly urge you to oppose the constitutional balanced budget amendment.

Sincerely,

AFSCME
Amalgamated Clothing and Textile Workers Union
Amalgamated Transit Union
American Association of Retired Persons
American Association of University Affiliated Programs
American Association of University Professors

American Federation of Government Employees
American Federation of Teachers
Americans for Democratic Action
American Friends Service Committee
American Jewish Committee
American Jewish Congress
American Postal Workers Union
American Public Health Association
Americans for Democratic Action
Bread for the World
Center for Community Change
Center for Law and Social Policy
Center on Budget and Policy Priorities
Child Welfare League of America
Children's Defense Fund
Coalition on Human Needs
Commission on Social Action of Reform Judaism
Committee for Education Funding
Common Cause
Council for Educational Development and Research
Council of Chief State School Officers
Council of Large Public Housing Authorities
Council of the Great City Schools
Economic Policy Institute
Families U.S.A.
Family Service America, Inc.
Food and Allied Service Trades Department, AFL-CIO
Food Research and Action Center
Friends of the Earth
Industrial Union Department, AFL-CIO
Interfaith: Impact for Justice and Peace
International Association of Fire Fighters
International Association of Machinists
International Brotherhood of Electrical Workers
International Ladies Garment Workers Union
International Union of Electronic, Electrical, Salaried, Machine, and Furniture Workers, AFL-CIO
Jesuit Social Ministries, National Office
Jewish Federation of Metropolitan Chicago
Lutheran Office for Governmental Affairs, ELCA
National Alliance to End Homelessness
National Association of Community Action Agencies
National Association of Elementary School Principals
National Association of Homes and Services for Children
National Association of Letter Carriers
National Association of School Psychologists
National Association of Secondary School Principals
National Association of Social Workers
National Community Action Association
National Community Action Foundation
National Consumers League
National Coalition for the Homeless
National Council of Churches
National Council of Jewish Women
National Education Association
National Farmers Union
National PTA
National Rural Letter Carriers

National Rural Housing Coalition
National Treasury Employees Union
National Urban League
National Women's Law Center
NETWORK: A National Catholic Social Justice Lobby
OMB Watch
Parent Action
Peace Action
Physicians for Social Responsibility
Public Employee Department, AFL-CIO
Service Employees International Union
The ARC (formerly the Association for Retarded Citizens)
Transportation Communications Union
Transportation Trades Department, AFL-CIO
Unitarian Universalist Service Committee
United Auto Workers
United Brotherhood of Carpenters and Joiners of America
United Church of Christ Office for Church in Society
United Methodist Church, General Board of Church and Society
United Mine Workers
United Steelworkers of America
Women's Action for New Directions
Women Strike for Peace

SENT TO ALL MEMBERS OF THE UNITED STATES SENATE

AFSCME®

American Federation of State, County and Municipal Employees, AFL-CIO

1625 L Street, N.W., Washington, D.C. 20036-5687
Telephone (202) 429-1000
Telex 89-2376
Facsimile (202) 429-1293
TDD (202) 659-0446

October 21, 1993

Dear Senator:

On behalf of the 1.3 million members of the American Federation of State, County and Municipal Employees, I strongly urge you to oppose all balanced budget amendments, including S.J. Res. 41.

The easy part was agreeing that "it's the economy, stupid." The hard part was to pass a budget plan to restore economic growth to our economy and reduce the deficit at the same time. But, working together, the Clinton Administration and the Congress accomplished that too. In August 1993, a responsible and effective deficit reduction package was enacted which makes substantial progress in reducing the deficit over the next five years without jettising the nation's fragile economic recovery.

Passing a balanced budget amendment would reverse this progress by causing the nation's economic output to plummet and force millions of working Americans onto the unemployment rolls. The perception that a requirement to balance the federal budget would result in a healthier economy is totally misguided. Achieving a zero deficit by 1999 would demand such drastic spending cuts and tax increases that the economy would, in all probability, be thrown back into another recession.

A glaring deficiency surrounding the balanced budget debate is the total absence of any serious consideration of what would actually be required to bring the deficit to zero by 1999 as the amendment specifies. For 1999, the Congressional Budget Office (CBO) is projecting revenues of $1,617 billion, outlays of $1,840 billion, and a deficit of $223 billion (in 1999 dollars).

If the money were to be raised through taxes only, it would mean an across-the-board increase of about 14 percent. If the money were to be raised through income taxes only, it would mean an increase of more than 30 percent. If the money were to be raised through domestic discretionary cuts only, the entire domestic budget would be reduced by about 80 percent to approximately $40 billion, roughly equal to the level of current expenditures for education and job training programs.

Everything else -- all transportation and infrastructure, research and development, children's programs, crime programs, community development, agriculture programs, etc. -- would be stripped of funding.

Or, if the money were to be raised from entitlement programs only, including Social Security, a 25 percent cut would be needed. Eliminating all means-tested entitlement programs, Food Stamps, AFDC, the Earned Income Tax Credit, Veterans Pensions, Student Loans, etc., but excluding Medicaid which presumably would be part of any health care reform package, would only raise about 55 percent of the amount needed.

Cutting deficits in a slow growth environment resembles a cat chasing its tail. Regardless of which precise combination of tax increases and spending cuts were agreed to, the attempted deficit reduction would never be realized. We would be locked into continuous contradictory budget policy -- spending cuts and tax increases would lead to higher unemployment which would lead to lower job income growth which in turn would depress tax revenues.

Borrowing is not inherently "bad" or "wrong" so long as the borrowing is used for investment. Businesses must borrow to grow; state and local governments borrow for capital investment; and individuals borrow to buy a home and pay for a college education. The United States is like a fundamentally profitable company which has been mismanaged to the brink of bankruptcy. Reducing the debt alone will not rescue the enterprise. And, unlike a troubled company, the U.S. economy cannot simply decide to contract in size. The economy must continue to grow to accommodate an increasingly aging population and stiffening international competition.

Enclosed is a statement signed by over 400 economists, including seven Nobel Prize winners and leading Clinton Administration officials, opposed to the balanced budget amendment which was considered during the 102nd Congress. The conditions which drew such overwhelming opposition a year ago remain just as valid today.

AFSCME is committed to continue to work with the Administration and the Congress to fashion a sound economic program which will create jobs, restore income growth and reduce the deficit. A balanced budget amendment is not a business-like way to conduct the fiscal affairs of the federal government. It is bad economics and bad politics. We urge you to reject S.J. Res. 41.

Sincerely,

William Lucy
International Secretary-Treasurer

Gerald W. McEntee
International President

WL/GWMcE:mam

SENATE TARGET LIST

Bingaman

Bryan

Chafee

Cohen

Conrad

Dodd

Durenberger

Exon

Feinstein

Ford

Glenn

Harkin

Hatfield

Jeffords

Johnston

Kerry

Kohl

Lieberman

Mosley-Braun

Pell

Sasser

Spector

Wofford

RADIO NEWS CONFERENCE

--SELECT TARGETED STATE

--SELECT DATE AND TIME FOR THE NEWS CONFERENCE

--CALL RADIO STATIONS IN LARGEST MEDIA MARKETS IN THAT STATE
- -Ask for news director
- -Explain the topic and the potential impact on that state
- -Invite the station to participate in the telephone Q & A session
- -Fax background material, if necessary
- -Confirm station's participation in radio news conference

SAMPLE CONFIRMATION:

TO:

FROM: Coalition to Defeat the Balanced Budget Amendment

RE: Radio News Conference by Telephone

This is to confirm your participation in a radio news conference by telephone on Tuesday, November 9 at (TIME). As you know, the topic is a proposed balanced budget constitutional amendment. Other stations participating in the news conference are: (LIST).

(NAME) of (ORGANIZATION) will be the coalition's spokesperson for the event.

We will be calling you approximately 5 minutes before the start of the news conference.

If you have any questions, please call 202/ 429-1130. We look forward to speaking to you on Tuesday.

D-R-A-F-T

Editor
Letters to the Editor
(Name of Newspaper)
Address

Dear Editor:

I am writing in response to your recent (article/editorial) on the proposed balanced budget amendment to the constitution.

I'm not an economist, but it seems to me that support for the amendment is based on misinformation. For example, a lot of people think that, like most families, the federal government should "live with in its means." The truth is most Americans do use credit – without it we would be unable to purchase a house, go to college, or buy a car. Similarly, the federal government borrows now to invest in programs that pay off in long-term benefits.

Simply put, the amendment fails to distinguish public investments needed for long-term growth from other areas of government spending – and because it requires significant deficit reduction in a short period of time – it would likely cause cuts in such key areas as education and training, infrastructure, civilian research, and children's programs.

In my view, we need Congress to take a more deliberative approach to cutting the deficit. A balanced budget amendment seems like little more than a gimmick designed to delay action on tough choices.

Sincerely,

D-R-A-F-T

Editor
Letters to the Editor
(Name of Newspaper)
Address

Dear Editor:

I am writing in response to your recent (article/editorial) on an effort to amend the Constitution to require a federal balanced budget. I agree that it sounds like a great idea, but when closely examined the measure proves to be nothing more than a Congressional gimmick. Moreover, it is a hoax that could cause serious damage to our nation's economy.

A major defect in the proposal is that it locks economic policy into the Constitution. As 400 hundred economists pointed out last year, "When the private economy is in recession a constitutional requirement that would force cuts in public sepdning or tax increases would worsen the economic downturn, causing greater loss of jobs, production, and income."

Balancing the budget is going to require that the Congress make some tough choices. When it comes to the deficit, quick fixes will not work.

Sincerely,

OPINION OUTLOOK
Views on the Economy

HOW'S IT GOING?

How would you rate economic conditions in this country today? (Gallup Organization Inc.)

	11/93
Excellent	1%
Good	16
Only fair	50
Poor	33

During the next year, do you think the national economy will get better, get worse or stay about the same? (Peter D. Hart Research Associates for NBC News-*The Wall Street Journal*)

	10/93
Get better	21%
Get worse	27
Stay about the same	50
Not sure	2

As of right now, which do you feel is the most important economic issue facing the country? (Hart for NBC-*Journal*)

	10/93
Unemployment	43%
Federal budget deficit	26
Federal taxes	12
U.S. trade deficit	6
Inflation	5
Interest rates	3
All equally important (volunteered)	4
Not sure	1

GETTING THE JOB DONE

Do you approve or disapprove of the way Bill Clinton is handling the economy? (Gallup)

	9/93	10/93
Approve	39%	47%
Disapprove	50	45
No opinion	11	8

When it comes to dealing with the economy, which party do you think would do a better job? (Hart for NBC-*Journal*)

	10/93
Democratic	22%
Republican	27
Both	20
Neither	28
Not sure	3

When it comes to controlling government spending, which party do you think would do a better job? (Hart for NBC-*Journal*)

	10/93
Democratic	19%
Republican	27
Both	29
Neither	20
Not sure	5

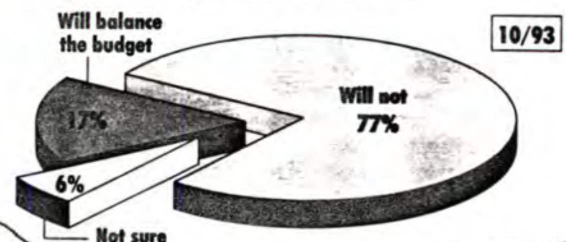
MINIMUM WAGES

Some people have suggested that the minimum wage be increased to help people in low-paying jobs keep up with the cost of living. Other people feel that an increase in the minimum wage would increase costs to businesses and weaken the economy. Do you favor or oppose increasing the minimum wage? (Hart for NBC-*Journal*)

	10/93
Favor	64%
Oppose	31
Not sure	5

BUDGET BALANCING ACT

If the Constitution is amended to require a balanced federal budget, do you believe that Congress will really balance the federal budget, or not? (Hart for NBC-*Journal*)



What percentage of federal government spending do you think could realistically be saved through cutting waste without cutting services? (Louis Harris and Associates Inc.)

	10/93
50 per cent or more	24
30-49 per cent	19
20-29 per cent	19
10-19 per cent	16
0-9 per cent	9
Not sure	12

TO YOUR HEALTH

Would you support or oppose an increase in taxes to help pay for Clinton's health care plan? (*The Washington Post*)

	10/93
Support	40%
Oppose	57
Don't know	3

Thinking about the country as a whole, do you think we spend too much, too little or the right amount on health care? (Princeton Survey Research Associates for Henry J. Kaiser Family Foundation and Harvard School of Public Health)

	10/93
Too much	40%
Too little	41
Right amount	11
Don't know	8

WASHINGTON POST EDITORIAL OPPOSED TO THE BALANCED BUDGET AMENDMENT

OCTOBER 20, 1993

Farewell to Majority Rule?

THE DEMOCRATIC Congress is about to take up legislation that would basically end the American system of majority rule. The Senate is tentatively scheduled to vote sometime in the next few weeks on a so-called balanced budget amendment to the Constitution. The sponsors of the simplistic and dangerous idea are said to be within a few votes of the two-thirds they need to send it to the House. A similar measure fell only nine votes short in the House last year, and opponents doubt that this time they could stave it off.

The misnamed amendment wouldn't so much balance the budget as it would destroy political accountability by creating minority control of both houses. The budget deficits of recent years have done the country enormous damage, but they have been the result of political, not constitutional, failings. Such deficits did not exist in earlier years, when politicians had the courage to vote no. The right way to reduce them is to approve the specific tax increases and spending cuts that the goal of responsible policy requires.

This amendment would instead allow the members once again to postpone the very action that they pretend to take. They would go home having virtuously voted to balance the budget in the abstract and in the distant future, without ever having had to say how. They mortgage the future and trivialize the Constitution in order to preen before constituents without inflicting pain. The president should be the one to speak out against the travesty, educate the country against it and provide the nervous members who know better with the cover they need to vote no. His aides know the vote is coming; the Senate leadership is opposed to the amendment. But so far the White House, too, has gone to ground.

Mr. Clinton and the congressional Democrats took a larger step toward deficit reduction last summer than they have been given credit for—and perhaps as large a step as a recovering economy can withstand. Instead of defending their actions, they seek political purposes to give the impression of doing more than even they think wise. The amendment would not ban unbalanced budgets, just require three-fifths majorities of both houses to enact them or to raise the statutory ceiling on outstanding federal debt. The measure would also make it marginally harder to raise taxes than to cut spending.

The budget would no longer serve as an automatic economic stabilizer, wherein a recession creates a wider deficit and the deficit partly offsets and cures the recession in turn. The redistributional role of the government would also likely be reduced. Democrats, including those who are unaccountably sponsoring the amendment, can like neither of these likely results. But the worst is that 40 percent of either house would hold the country hostage, and you can bet not just on fiscal policy, either, but on everything that a budget can be made to contain. You heard it said, and rightly so, that the country in the last election traded gridlock for party responsibility. The amenders would trade us back to gridlock, and in the process compound precisely the weakness of government that they profess to deplore.

Congress vs. the Framers—and Reason

Politics & People

By Albert R. Hunt

Despite tough competition, Congress may be on the verge of its dumbest act in years: monkeying with the Constitution, while ignoring the Founding Fathers as well as contemporary constitutional scholars, ranging from liberal Archibald Cox to conservative Robert Bork. In the process, lawmakers would display the rankest hypocrisy.

This remarkable feat would be a constitutional amendment to mandate a balanced budget. The only exceptions would be war or if a statutory three-fifths of the total members of both houses vote for an unbalanced budget. The chief Senate sponsor, Paul Simon (D., Ill.), says he has a commitment from the leadership that it will come up within the next month.

In 1986, the Senate voted on a similar measure and it lost by one vote; the environment is more conducive today. Private tallies suggest supporters are only a handful of senators away from the required two-thirds support. If it passes the Senate, favorable action is likely in the House, where it fell nine votes short last year, a margin more than offset by electoral changes.

The prospect is mind-boggling. The same institution that has approved $2.6 trillion of red ink over the past dozen years now wants to cure the problem by amending the Constitution. Many supporters cynically figure this will divert attention from their cowardice in tackling real budgetary issues and priorities. "To use the Constitution for such a purpose not only trivializes it by an irrelevancy but, in the long run, would reduce the respect for, and therefore the effectiveness of, our bulwark of liberty," charges Archibald Cox, chairman emeritus of Common Cause and the former U.S. solicitor general and Harvard law school professor.

Even in the short run the people may be much smarter than these politicians think. By an overwhelming 77% to 17%, people don't think a constitutional amendment actually would produce a balanced budget, according to this week's Wall Street Journal/NBC News national survey.

Experience is on their side. Take, for example, the 65 members of the House who this year voted against both the Clinton deficit reduction plan, with many saying it relied too much on tax hikes, and the Republican alternative, with many saying it cut spending too much. Yet these 36 Republicans and 29 Democrats are sponsoring the balanced-budget amendment.

"We need the forced discipline of a constitutional amendment," explains Rep. Sonny Callahan (R., Ala.), one of the 65. Why did he vote against the GOP budget-cutting plan? Mr. Callahan says it was too tough on Medicare and other sensitive entitlements. In the Senate, the amendment's patron saint, Paul Simon, last week sent a private memo to President Clinton advocating an expansive new program for the inner cities. It apparently is interesting and meritorious; it also is totally at odds with his amendment.

It's tough to figure whether this amendment would do more harm economically or politically. Even most traditionally conservative economists agree that trying to balance the federal budget in recessionary times is crazy. And in a well-reasoned 25-page analysis, Robert Greenstein, of the liberal Center on Budget and Policy Priorities, convincingly argues that under a balanced budget amendment—which could take effect before the end of the decade—the poor would bear "the heaviest sacrifices since they are the weakest constituency."

But the political damage might be even greater. Since a balanced budget often would be politically and economically disastrous, the real issue would be how to get a 60% vote for revenue and spending measures; in both houses, 40.1% of the members would have an effective veto power.

There's an illustrative model: California, where a two-thirds legislative majority is required to pass a budget. This minority rule has had the effect of decreasing accountability, increasing the influence of special interests and creating a general chaos that has served neither the politicians nor the people well. Whatever reforms are desirable for Congress, becoming more like the California Legislature isn't one of them.

The Hypocritical 65:

Here are the 65 members of the House who earlier this year voted against both the Clinton and the Republican plans for reducing the deficit but now sponsor a balanced-budget constitutional amendment:

DEMOCRATS: Browder (*Ala.*), Coppersmith (*Ariz.*), Condit (*Calif.*), Deal (*Ga.*), Rowland (*Ga.*), Lipinski (*Ill.*), Long (*Ind.*), Roemer (*Ind.*), Baesler (*Ky.*), Hayes (*La.*), Minge (*Minn.*), Parker (*Miss.*), Danner (*Mo.*), Skelton (*Mo.*), Swett (*N.H.*), Andrews (*N.J.*), Pallone (*N.J.*), Mann (*Ohio*), Traficant (*Ohio*), English (*Okla.*), Johnson (*S.D.*) Clement (*Tenn.*), Chapman (*Texas*), Edwards (*Texas*), Geren (*Texas*), Hall (*Texas*), Laughlin (*Texas*), Sarpalius (*Texas*), Wilson (*Texas*)

REPUBLICANS: Callahan (*Ala.*), Stump (*Ariz.*), Huffington (*Calif.*), Allard (*Colo.*), Hefley (*Colo.*), McInnis (*Colo.*), Schaefer (*Colo.*), Canady (*Fla.*), Diaz-Balart (*Fla.*), Fowler (*Fla.*), Ros-Lehtinen (*Fla.*), Stearns (*Fla.*), Kingston (*Ga.*), Burton (*Ind.*), Grandy (*Iowa*), Leach (*Iowa*), Lightfoot (*Iowa*), Roberts (*Kan.*), Rogers (*Ky.*), Bentley (*Md.*), Emerson (*Mo.*), Hancock (*Mo.*), Barrett (*Neb.*), Bereuter (*Neb.*), Vucanovich (*Nev.*), Boehlert (*N.Y.*), Taylor (*N.C.*), Gillmor (*Ohio*), Regula (*Ohio*), Machtley (*R.I.*), Spence (*S.C.*), Duncan (*Tenn.*), Bateman (*Va.*), Goodlatte (*Va.*), Petri (*Wis.*), Roth (*Wis.*)

This year it would have meant that President Clinton never would have gotten a budget through, or it would have been one almost identical to the last Bush budget, after voters demanded change. The effect, in the House at least, would be to give Newt Gingrich veto power over fiscal policy.

Sounds pretty good, some conservatives no doubt are thinking. Think harder. This minority rule also would have killed the Reagan tax cuts of 1981, which fell 23 votes short of three-fifths of the House. And, if conservatives really believe that Mr. Gingrich has a real shot to be speaker before the decade is out, how about liberal Democratic Rep. Barney Frank exercising a similar veto power?

"This is a conservative measure that conservatives haven't thought about," worries Robert Bork. "It would create a real mess."

He highlights two likely unintended consequences: more regulation and more power accruing to unelected judges. Congress almost surely would try to get around any binding fiscal restraints by escalating regulatory measures, which, Judge Bork argues, "could be worse than taxation from a conservative point of view." Moreover, if lawmakers circumvented the limits simply by adopting wildly unrealistic estimates, there's no enforcement mechanism. The result: the courts would get deeply into fiscal policy.

Writing economics into the Constitution and requiring a supermajority for important actions aren't new ideas. In the Federalist Papers, Number 58, James Madison considered the idea of a supermajority and persuasively rejected it: "The fundamental principle of free government would be reversed. It would be no longer the majority that would rule; the power would be transferred to the minority."

Over the next few weeks, as Congress decides whether to profoundly change the Constitution, take your pick: James Madison or Sonny Callahan.

Robert C. Byrd

A Hollow and Dangerous Promise

Wishful thinking won't balance the budget.

Talk of a balanced budget constitutional amendment is again in the Washington air, proving that the days of quack medicines and vaudeville magic shows are not yet in the past. This current version, S.J. Res. 41, states that "total outlays for any fiscal year shall not exceed total receipts for that fiscal year."

What about these terms of budgetary art, "outlays" and "receipts"? The amendment states that Congress may rely on estimates of outlays and receipts for purposes of its implementation because total outlays and receipts cannot be known at the beginning of any fiscal year and estimates are all we have. But in reality, actual outlays and receipts often vary from estimates by billions. We cannot actually know what the Treasury has spent—the outlays—until Treasury has issued all of the checks at the end of the fiscal year.

The point is that no matter how hard we may try to project actual outlays and receipts, we will invariably fail. Receipts are often lower than expected, and outlays are often greater, and nothing in the proposed amendment addresses that problem. In fact, whether the budget is in balance cannot be accurately known until after the end of each fiscal year, when it would be too late to correct the shortfall.

Moreover, S.J. Res. 41, if passed by Congress and ratified by the states, would require that the federal budget be balanced annually—whether we have a strong or a weak economy—unless three-fifths of the whole number of both House of Congress waive the requirement. Large spending cuts or tax increases or both would thus be required yearly, whether the economy was booming or busting—exactly what Dr. Kevorkian would order to help a sick economy die a speedy death!

The amendment, therefore, would practically ensure that recessions will be deeper and longer. By mandating a balanced budget by 1999—a year in which a $223 billion deficit is projected by the Congressional Budget Office—severe and sudden budget cuts would most certainly end public investments in roads, airports, waterways, education, civilian research and development, and defense planning—not to mention precipitous cuts in entitlement programs and large tax increases, provided the numerical obstacle course thrown up by this amendment in the case of tax increases can be overcome.

Yes, that's right, the amendment makes balancing the budget a constitutional mandate and then, in that same language to be grafted onto the Constitution, in effect removes one of the tools to accomplish the task! This proposal would actually put the government in the hands of a minority when it comes to a tax increase to balance the budget. Two-fifths plus one member of either body could block a tax increase for the purpose of putting the budget in balance. Thus, the amendment would tend to balance the budget on the backs of the elderly and the working people who would be hurt most by the budget cuts. Do we want to "rig" the Constitution in such a way as to favor one group over another when it comes to getting our budget in balance? I certainly think not. If we are going to put that kind of a "no tax increase fix" in constitutional budget-balancing language, then we ought to do the same for tax reductions.

And what of this oft-repeated argument that 49 states have some type of balanced-budget requirement? The argument is mindlessly simplistic and really not relevant. The states are not required to "raise and support armies," or "provide and maintain a navy," or provide for the "common defense and general welfare of the United States," nor do they carry the burden of conduct of international affairs or fiscal and economic policy for the nation.

Most states use capital budgeting techniques, and their "balanced budget" requirements generally affect only their operating budgets. In fact, the states are in debt. They incur bonded indebtedness, borrow money for highways, schools, prison facilities, unemployment, recreation and health facilities etc; they are also greatly assisted by the federal contribution to their financial well-being. Such federal assistance to states, however, would most certainly be sharply curtailed if we aped their balanced budget requirements at the federal level. The federal budget is a unified one. So, such an amendment would require total balance.

"I do not see how a constitutional amendment will give us politicians any more spine than we now have."

Businesses borrow to finance everything from high-tech equipment to bigger dumpsters. Families borrow to buy a car, educate a child or purchase a home. Borrowing to invest for a better tomorrow is hardly seditious activity. Are we willing to deny the federal government the ability to borrow and invest on behalf of future generations?

In short, this amendment is bad business for our Constitution. Even worse, it is a deception because it amounts to nothing more than a precatory expression of pious hope. In fact, it will not balance the budget. God said, "Let there be light," and there was light. But man is not God, and to say that outlays for any fiscal year "shall not exceed total receipts," does not make it happen, any more than would be the case if a constitutional amendment were added stating that the forest primeval shall be restored by the year 2000. Saying it will not make it happen, even if it is the Constitution that says it. To adopt such an amendment will only give us politicians the next election to pat ourselves on the back and tell the people we have done something. Congress and the president already have the power to work toward a balanced budget. Why don't we just do it now instead of putting off the hard decisions until the amendment is ratified? The reason is that making these very tough decisions is unpopular. Voting to cut entitlements, cut programs, cut defense and raise taxes does not encourage one's constituents to build statues. The bottom line is courage. I do not see how a constitutional amendment will give us politicians any more spine than we now have.

Instead, we will typically put hard decisions off until the last possible moment, when our budget-balancing actions will have to be precipitous, which, of course, is the worst possible thing for our nation's economy. If we succeed in grafting this wart full of wind onto our Constitution and it fails for lack of enforcement, the Constitution would be demeaned and cheapened. We would have a government operating outside the legitimacy of its own Constitution, and that great and revered document would be under a cloud. If the people's faith in the Constitution fails, then what have we left as a nation? If this balanced budget provision is avoided and violated with impunity, which it is likely to be, why not violate the First, Fourth, Fifth or any of the other amendments that are central to our individual freedoms and way of life?

On the other hand, the end result of the adoption and enforcement of this false and unwise amendment would be to pave the way for the ultimate resolution of its impact by the courts. Beneficiaries of programs arbitrarily cut would turn to the courts for recourse. If the courts concluded that the Constitution required that a tax be imposed to bring receipts and outlays in line, the destruction of our precious constitutional checks and balances would have been achieved.

This "great idea" is a dangerous quick fix intended to let the politicians relax and claim that they have solved the nation's worst problem. It is the nirvana of irresponsibility to claim that this amendment will do anything constructive except get a few people reelected—if, in fact, that can be viewed as constructive.

"We must never forget that it is the Constitution we are expounding," said Chief Justice John Marshall, in *McCulloch v. Maryland.* My own modest footnote would be: Let us not forget that it is the Constitution we are amending.

The writer, a Democratic senator from West Virginia, is chairman of the Appropriations Committee.

The Washington Post

AN INDEPENDENT NEWSPAPER

A Sloppy Way to Govern

TO PASS his budget last summer, President Clinton had to promise some further votes on fiscal matters later in the year. Those fuzzy and incautious promises are now coming due. The problem for the president and the leadership in Congress is that they may not have control over the terms of the votes. The anti-spenders are teeing up the choices in such a way that members will mainly be able to vote against spending in the abstract, say yes to cutting without saying how. That will be fine for the holidays; everyone can go home having cast the perfect vote, which is always for virtue without pain. Only later will they—or someone—have to figure out how to govern within the limits to which these showy and unwise propositions would condemn them.

The most dangerous of the proposals is the misnamed balanced budget amendment to the Constitution. It's the granddaddy of false promises. It wouldn't require a balanced budget, just a three-fifths vote in both houses to pass an unbalanced one. It would empower minorities; anyone with an idea that could command the allegiance of 41 percent of either house could hold the government hostage. The theory is that such a system would somehow lead to leaner government. The effect would much more likely be the opposite.

There are lots of years when for economic or social reasons the government ought to run a deficit. To do so the party in power would have to win the support of 20 percent more members in each house than it does today. The president, or someone, would have to bargain with more stray members; who thinks that that would lead to an epidemic of self-denial? Last summer, when this president needed every Democratic vote, is a case in point. By all means reduce the deficit, the professed fiscal conservatives of the party came round to say one after the other, but surely not at the expense of . . . imposing an energy tax, increasing grazing fees, cutting farm supports as much as the president proposed, taxing a larger share of Social Security benefits, cutting defense, cutting Medicare. The president had to deal for votes and then was condemned for dealing by some of the very people who threatened to withhold their votes until he dealt. Will they change the Constitution to bar that too?

In the House, meanwhile, some members now also are proposing what they describe as $103 billion in further spending cuts over the next five years. To lock some of these supposed savings in place, they would reduce the already tight appropriations caps that were set for the next several years in the budget. The problem is, they don't specify enough new cuts to get the caps down to the new levels they propose; instead they try to snatch some administration proposals that the president needs to get spending down to the existing caps. No fair; by one estimate, to get total spending down to the point they propose, they would have to list $70 billion more in specific cuts than they have. That's the opposite of a blank check; it's a blank cut. They would also preempt and pocket as "cuts" some health care savings that the president has proposed to use in financing health care reform.

This is no way to do the government's business. The amendment and proposed cuts both are ragged, slapdash policymaking that a lot of members think would do them some short-term political good. They would meanwhile do the country long-term substantive harm. The Democrats should beat them back.

BALANCED BUDGET IS GAINING SUPPORT AMONG SENATORS

LEFT AND RIGHT BACK PLAN

President Says Constitutional Proposal Would Hurt Effort to Pass Health Overhaul

By ADAM CLYMER
Special to The New York Times

WASHINGTON, Nov. 5 — Conservatives who hate raising taxes and liberals who cannot stand to cut spending have joined to bring the Senate to within a handful of votes of passing a constitutional amendment to require a balanced budget.

Senator Paul Simon, the liberal Democrat from Illinois who is the measure's chief sponsor, is not yet predicting victory in the vote later this month, but he said in an interview that he had detected a gradual increase in support. He has been pushing the measure for several years, and won a promise from the Senate majority leader, George J. Mitchell of Maine, a firm opponent of the amendment, for a vote sometime in this Senate session, which may end by Thanksgiving.

The deficit issue has forced itself over the years into the consciousness of both the right and the left, and it is good politics to promise to do something about it.

Clinton Denounces Amendment

While most people think that the only way to cope with the deficit is to both raise taxes and cut spending, each wing of this tenuous alliance argues that only the approach the other side dislikes need be used.

But the opponents, led by Senator Robert C. Byrd, the powerful Democrat from West Virginia, got a boost on Friday when President Clinton weighed in on their side. Mr. Clinton denounced the amendment as a "budget gimmick," and said it was so vague that appointed judges would end up making decisions elected lawmakers should take on.

Mr. Clinton's letter to Congressional leaders said the amendment would hurt average American families and require some combination of "huge increases in taxes," "massive reductions in Social Security benefits" and "major cuts in Medicare and Medicaid that would make it impossible to pass meaningful health reform legislation."

He said the last effect would be particularly counterproductive because health legislaton was "the nation's best hope of bringing down the long-term deficit."

60 Senators Back Plan

While Presidents have no veto on constitutional amendments, Mr. Clinton's intervention still matters, especially because 16 of the 20 senators who have not announced their position on the measure are Democrats. With 60 supporters identified through public statements and interviews and 20 declared opponents, the backers need only 7 of the undeclared senators to get the two-thirds majority an amendment

Continued on Page B9, Column 5

Amendment on Balanced Budget Gains Crucial Converts in Senate

Continued From Page A1

must have under the Constitution. Opponents need 14 of them to defeat it.

The Senate is expected to vote in about two weeks on the measure, which would require a balanced budget in 1999. The result is likely to be as close as it was in 1986, when the proposal fell short by a single vote; or in 1982 when it passed the Senate with 69 votes, or two to spare, but died in the House.

If the Senate adopts the amendment, an equally close vote is expected in the House. In July 1992 supporters got 280 votes in the House, nine less than they needed. Democratic leaders then made an intense effort to defeat the measure.

Should both houses adopt the amendment, it would require the approval of the legislatures of 38 states within seven years to become part of the Constitution.

Mr. Simon told the Senate last Monday that the amendment was necessary to force lawmakers "to make some tough decisions." He said nothing "other than a constitutional restraint" would do that.

Expecting Close Vote

Unlike Senator Simon, who favors giving tax increases a major role in balancing the budget, Senator Orrin G. Hatch, a conservative Republican of Utah, asserted in an interview that the amendment would lead to deep and desirable cuts in Federal spending.

Mr. Hatch, the chief Republican sponsor of the measure, argued that in the current political climate — including election results this week in New Jersey and Virginia where anti-tax voting played a major role — it will be very hard to find majorities for Mr. Simon's tax increases. He said the constitutional amendment's fate would "come down to one or two votes in the Senate."

Senator Byrd said he was worried that his side would lose. He scoffed at the measure as "political catnip" and despairs of senators who beg him, in his role as chairman of the Appropriations Committee, for money for their states while supporting an amendment that would dry up that spending.

He called the amendment "an economic, fiscal and political calamity in the making." He then added "constitutional" to the list, saying if the measure was adopted it would probably fail to balance the budget, and in so doing would greatly diminish the nation's faith in the Constitution.

Likely Targets of Amendment

Most of these points are familiar. But the health care argument used by Mr. Clinton is a fresh one, introduced earlier this week by Senator Jay Rockefeller, Democrat of West Virginia. He argued that not only the new spending in the Clinton bill but Medicare and Medicaid would be obvious targets for very serious cuts if the amendment were part of the Constitution.

Mr. Rockefeller said, "Congress cannot lie to the American people" and say they can have both a balanced budget and health care legislation. Senator Simon contends that argument is exaggerated and the country could have both.

The Simon amendment states that outlays of Federal money cannot exceed receipts in any fiscal year and that the statutory limit on the national debt cannot be increased. Three-fifths majorities of both houses could override those provisions.

Under the amendment, the President would be required to send a balanced budget to Congress. The measure's provisions could be waived when a declaration of war was in effect or when a joint Congressional resolution was enacted declaring that the country was involved in a military conflict "which causes an imminent and serious military threat to national security."

Take Effect in 1998

The three-fifths majorities the amendment speaks of consist of the complete membership of each house, or 60 in the Senate and 261 in the House of Representatives when no seats are vacant. Tax increases and the resolution on military conflict would require majorities of the complete memberships, or 51 in the Senate and 218 in the House.

The amendment would take effect in the 1999 fiscal year that begins on Oct. 1, 1998, or in the first fiscal year beginning two years after ratification of the amendment, whichever comes later.

After last summer's deficit reduction

Liberals and conservatives unite to revive a stalled measure.

legislation, the Congressional Budget Office now projects the deficit for fiscal 1999 to be $223 billion.

Support for the measure from outside Congress has come from the National Taxpayers Union and many conservative organizations. But their campaigning has not appeared to be as intense this year as in the past, when they had Presidents Ronald Reagan and George Bush on their side.

Besides the White House, which hopes to keep the deficit on a downward path with this summer's $496 billion in deficit reduction and Medicare cuts, the biggest outside voice against the amendment is organized labor.

'Does Cause Some Quivering'

Yet the strongest force against the amendment is Senator Byrd himself. The Appropriations Committee chairman can fix fellow senators with an icy stare they take to mean: "If you vote for this terrible amendment, Federal spending in your state will be cut first as we try to balance the budget."

Senator Hatch sees Mr. Byrd as a special problem for his side to overcome. "He does cause some quivering around here," he said.

Lobbying and pressure are expected to intensify in the next couple of weeks. Representative Charles W. Stenholm of Texas, the leader of the effort in the House, said this week: "It's looking pretty good. But I learned after last year not to depend on looks. We're not counting our chickens before they are hatched."

To Senator Byrd, of course, last year's surprise defeat of the measure in the House was a cause for hope, not for fear. He said he hoped Congress would be "like one who unwittingly falls into a scheme that would lead to murder, in this case, the murder of the Constitution, but as he gets up to the brink, up to the point of plunging the knife for the fatal thrust, he draws back."

The Washington Post

AN INDEPENDENT NEWSPAPER

Distorting the Constitution

PRESIDENT CLINTON on Friday took a position on the misnamed balanced budget amendment to the Constitution, on which Congress is scheduled to vote in the next couple of weeks. He's opposed, as well he ought to be; he laid out the principal reasons in a compelling letter to House Speaker Tom Foley. You could be forgiven if you failed to get the news. There was no announcement; the letter was sent up late Friday afternoon, which is exactly when administrations generally take actions they hope *won't* get noticed. Officials say that wasn't the intent, and that the administration plans to campaign vigorously against this insidious proposal in the time that remains. We hope so.

This amendment wouldn't require, and most of the time would likely not produce, a balanced budget. It would simply require a three-fifths rather than majority vote of both houses to pass an unbalanced one. The balance it would mostly affect is the balance of power. It would add to the price that a president—any president, of any persuasion—would likely have to pay each year to get a budget passed. Every year Congress searches for the perfect vote on the budget, the one that will let it stand four-square for frugality without having to say at whose expense the frugality is to be achieved. The amendment has the added virtue of putting off the frugality until later; it will be another Congress's responsibility to achieve.

The president rightly observed that "the amendment by itself would not reduce the deficit by a single penny." But unlike some of the gimmicks that have preceded it, this one would tamper with fundamental law and likely do great harm to precisely the future ability to make the disciplined choices that sponsors say it would enhance. It would enshrine minority rule, and thereby add to the chance each year of gridlock. The president warned that by likely increasing "accounting subterfuge . . . for example . . . moving more federal programs off budget or . . . imposing more unfunded mandates on the states," it might well end up producing less fiscal responsibility rather than more.

It would be "bad economics," he said, in that it would complicate the government's countercyclical role, wherein the deficit automatically widens when the economy turns weak; it "risks turning minor downturns into serious recessions" and "would make recovery from recession far more difficult." The amendment could do programmatic harm as well. The goal of some supporters is not so much to balance the budget as to shrink the size and role of government. The president spoke up for reducing the "investment deficit" as well as the budget deficit. He said the amendment could "make it impossible to pass meaningful health reform legislation." Aides are preparing to warn backers that other likely effects could include increased pressure on defense and a greater burden on precisely the states that would have to ratify the amendment; that's because federal aid to state and local government would likely be cut.

This amendment, far from facing up to such choices, closes its eyes to them. It is a means of deferring precisely the discipline that it pretends to impose; in the name of strengthening the government, it would hobble and weaken it. It abuses the Constitution by using it as a political shield. Mr. Clinton, whose budget this year was itself a good first step toward deficit reduction, is right to oppose it. Congress should vote it down.

THE WALL STREET JOURNAL MONDAY, NOVEMBER 29, 1993

Needed: A Budget Policy

By HERBERT STEIN

We are entering a new federal budget cycle, as the administration works on the budget it will submit in January. This will initiate another round of discussion in Congress and among the public. It will be an opportunity for the administration and the rest of us to raise the level of thinking about what the standards, objectives and procedures for dealing with a budget of $1½ trillion should be. Certainly the administration should be able by then to approach the subject in a more mature way than it did when it presented a budget just after entering office.

We used to have a standard: a balanced budget. Then for a while we seemed to have a standard that the budget deficit should be big enough to keep the economy at full employment. At times I thought we were approaching a standard that seemed to incorporate the best of both these ideas—the standard of balancing the budget as it would be at full employment. That is all gone with the wind.

Past Practice

I do not think one will find anywhere a statement of what our present policy is, but one might deduce something like this from the practice of the past dozen years:

The American people do not insist that the budget be balanced. They do, however, like to think that they and their representatives in the government are on the side of balancing the budget. So our representatives follow a policy that is sufficient to make their constituents believe they are for balancing the budget, or at least substantially reducing the deficit, while imposing the least possible visible pain in the form of higher taxes or lower government benefits.

Out of this we get five-year deficit-reducing programs—Gramm-Rudman I, and Gramm-Rudman II, and the 1990 Budget Package and the 1993 Budget Package. But these programs do not contain any commitment to specific revenue or expenditure decisions that would yield the promised result. About halfway through the five-year period it becomes apparent that the budget is far off the promised path. Then our representatives do the whole thing over, assuring voters that they really are on the side of the balanced budget. We will probably be ready for another dose by the end of 1995.

This may not be the worst of all possible policies. It does, of course, leave deficits that almost everyone thinks are too big. But, contrary to many fears, the deficits did not prevent recovery from the deep recession of 1981-82 and apparently are not preventing recovery from the mild recession of 1990. They did not prevent a considerable reduction of the inflation rate. And the public seems to be satisfied, or at least not so dissatisfied as to turn out of office the governments that behave like that.

But I do not believe this is a good way to arrive at the size of the deficit. It leaves us constantly in the position of failing to achieve what we constantly say is a high-priority objective—namely to balance the budget or greatly reduce the deficit. That persistent failure and hypocrisy cannot be good for the national morale. The present mode of behavior about the budget provides no basis for confidence that we will not yet run into deficits of a size and duration that will be seriously damaging to the economy. And even if the present policy does conform to the public's preferences, no one can deny that the public's preferences on this subject are terribly ill-informed.

Decisions about the deficit are made without any attempt even to describe what the consequences of the decisions might be. For example, earlier this year President Clinton proposed a $500 billion deficit reduction package. He never explained why it was $500 billion rather than $250 billion or $750 billion. He never tried to tell us what the benefits of a $500 billion package might be and what the costs of the tax increases and expenditure cuts needed to bring about the $500 billion deficit reduction might be. Nor did he try to tell us why he thought that the benefits would equal or exceed the costs.

I do not think such questions were ever raised in Congress. Five hundred billion dollars seems to be accepted as the size in which deficit reduction packages come these days—big enough to look serious but not so big as to seem outlandish. If it is true that the American people at least tolerate what is going on, it is also true that they don't have the faintest idea of the consequences—and neither do most of their decision-makers in the government.

There are people who will say that we can and should establish a policy of continuously balancing the budget. A proposal for a constitutional amendment to enforce that will come up again, for the umpteenth time, next year.

The arguments against the balanced budget amendment are clear and strong:

1. Requiring the budget to be balanced each year would be destabilizing to the budget and possibly also to the economy.

2. Even requiring the budget to be balanced in the long run may be inconsistent with other national objectives.

3. There are many definitions of "the budget," and no one knows which is the one that should be balanced, if any.

4. The discipline sought through a balanced budget amendment can be evaded by extrabudgetary devices, like mandates, that can affect the allocation of output and the distribution of income much as budgetary expenditures and revenues do.

5. How the requirement of a balanced budget would be enforced on the president and Congress is unclear.

6. Many issues that should be decided in the political process would be forced into the courts.

7. Anyway, the whole thing is a big cop-out by politicians who want to be known as budget-balancers but do not want to do the specific things that are required to balance the budget.

But—when all that is said one still has to ask the old question: Compared to what? Do those who, like the president and me, oppose the amendment, have a better alternative?

The earlier postwar standards, whether fine-tuning or full-employment balance, were aimed at the concern of an earlier period, which was mainly for the stability of the economy. Now we know that the budget deficit or surplus has other objectives to serve. Today we need a standard that reflects our present concern with the growth of the national income and its allocation among uses and persons of this generation and future ones.

Four years ago I wrote a book, "Governing the $5 Trillion Economy," in which I tried to describe a way of thinking and a procedure that would yield a budget deficit or surplus reflecting explicit consideration of real costs and benefits, and without a prior assumption that the optimum size of the deficit is zero. Other economists, including Laurence Kotlikoff of Boston University and Robert Eisner of Northwestern, also have developed more functional standards of budget policy, although their proposals differ from mir

My purpose here is not to plug proposals for a budgetary standard, anyone else's. My point is that simpl reject the budget-balancing amendn is not enough. We should also recog the risks of our present standard, or of a standard, and try to formu something better.

Sometimes when I have tried to di the attention of people to the need fc budgetary standard they have repl "Oh, yes, that's very interesting, but know what the main problem is, whic to reduce the deficit, and we don't war distract attention from that by bringin longer-run and more general consid tions." The fact is, however, that we not balancing the budget or reducing deficit very much. The notion of bal first and standard later is mistaken. ancing the budget is a flag that every feels obliged to salute but no one f obliged to follow. Probably we will make headway toward balancing the get, if that is the desirable goal, unti can show how that is required by s general policy whose practical utility can understand and explain.

A Functional Standard

The idea of establishing a functi standard of budget policy is obviously high on the national agenda. One ca expect the administration to push it. ministrations do not like sophistic budget standards that can serve onl limit their freedom of action. Presi Reagan and President Bush did sup the balanced budget amendment, b think that was less a limit they expecte live with than a way to get gold stars a fraction of the voters while faste blame for deficits on Congress.

If the way we think about deficits determine their size is to be substant changed, the initiative will probably h to come from outside the governm That would not be unusual. Much of impetus for reform of federal budgetin the past has come from the private sec starting with the drive for an execu budget more than 80 years ago. We r yet get tired of our five-year budget p ages that start without principle and without result, and also of our bien wrestle with that attractive nuisance, balanced budget amendment, and down to serious thought about how to m budgetary decisions that serve tod real national objectives.

Board of Contributors

Simply to reject the budget-balancing amendment is not enough. We should also recognize the risks of our lack of a standard and try to formulate something better.

A former chairman of the preside Council of Economic Advisers, Mr. Ste an American Enterprise Institute fellow

Inhofe Takes His Strategy on Discharge Issue To the Fight on Balanced Budget Amendment

By Mary Jacoby

Rep. James Inhofe (R-Okla), whose public relations campaign against secrecy in the discharge petition process last summer ambushed House Democratic leaders, plans to use that same grass-roots network of talk radio and small-town editorial boards to pressure Members to pass a balanced budget amendment bill.

Inhofe told Roll Call Tuesday he will use "exactly" the same tactics in the balanced budget fight that he employed in his surprisingly successful campaign to gin up public support last August for changing a seldom-used House parliamentary procedure known as the discharge petition.

In that campaign, Inhofe — a little-known fourth-term Republican from Tulsa — elevated the obscure discharge petition to a national issue and engineered a wave of public sentiment against the practice of keeping the names of petition signers secret.

With help from Ross Perot, Rush Limbaugh, and the Wall Street Journal editorial page, Inhofe was able to pressure an overwhelming majority of the House into bucking House Rules Committee Chairman Joe Moakley (D-Mass) and the Democratic leadership on the discharge issue.

Now, House supporters of the balanced budget amendment are hoping Inhofe can work his magic again.

"Yes, ma'am!" Rep. Charlie Stenholm (D-Texas), lead sponsor of the measure in the House, told Roll Call when asked if he hoped to use Inhofe's tactics to push the budget bill through the House. "Not only Jim [Inhofe] but I and every other co-sponsor are doing everything we can over the Christmas break to generate interest in the balanced budget amendment," Stenholm said in a telephone interview.

Photo by Christopher Martin

By enlisting the help of Ross Perot, Rush Limbaugh, and editorial writers, Oklahoma Rep. James Inhofe (second from right) launched a successful campaign to reform the discharge petition process. Now, he's using the same blueprint to pass a balanced budget measure. Above, from left: Rep. Steve Buyer, Perot, Rep. John Doolittle, Rep. Peter Torkildsen, Inhofe, and Rep. Curt Weldon in September.

Through his work on the discharge petition issue, Inhofe already has assembled a network of radio talk-show hosts and editorial page editors sympathetic to populist, anti-Congress issues. Now, the network is ready to go to war on the balanced budget issue, Inhofe said.

On the wall in Inhofe's Tulsa district office is a map of the United States with around 75 radio talk-show locations marked by a red pin and allied editorial boards marked by a black pin.

"We'll start [doing interviews] about the 15th of January or so," Inhofe said. "Then we'll do another round in February."

A Senate vote on the measure is scheduled for Feb. 22. House Speaker Tom Foley (D-Wash) — who does not support the proposed constitutional amendment — has promised to bring the bill before the House if it passes the Senate.

At a meeting in early November with House and Senate sponsors of the measure, according to an aide, Inhofe surprised Sen. Paul Simon (D-Ill) — who introduced the Senate version of the bill — with the breadth of his press contacts.

Simon read a list of undecided Senators who should be targeted, and in each state, Inhofe volunteered to contact media representatives with whom he was acquainted.

Inhofe is not coordinating his grass-roots campaign directly with Senate sponsors of the bill, although supporters in both chambers are coordinating strategy for moving the measure through Congress.

A spokeswoman for Foley said the Speaker welcomes "open" debate on all issues before Congress. But House leaders have not met yet to discuss strategy for counteracting Inhofe's finely honed public relations machine.

Because the balanced budget bill seeks to alter the Constitution, it must be approved by a two-thirds' vote in both houses of Congress.

Senate vote-counters estimate there are about 60 solid votes for the bill, with as many as 12 Senators undecided. The Senate needs 67 votes to pass the measure.

In the House, meanwhile, Stenholm's bill has the support of 260 Members. The measure needs 290 votes to pass. It failed to pass the House by only a few votes last year.

Pittsburgh Post-Gazette

Founded 1786

Paul Block, publisher, 1927-1941 Paul Block Jr., co-publisher, 1942-1987
William Block, co-publisher, 1942-1989; chairman, 1990 -

John Robinson Block
Co-publisher and editor-in-chief

William Block Jr.
Co-publisher and president

John G. Craig Jr., editor and vice-president
Madelyn Ross, managing editor Michael McGough, editorial page editor

Robert B. Higdon, vice-president and general manager

Not constitutional

You don't need an amendment to balance the budget

When the going gets tough, the tough get going — and Congress gets simplistic. Witness the proposed balanced-budget amendment to the U.S. Constitution.

For more than a decade, the federal government has been running up a shocking tab. It's no real mystery how that happened. Taxes were cut, while spending, including spending on so-called entitlements, grew. That's a difficult hole to dig out of. As the economy turned sour, the difficulty increased: The demands on federal dollars grew while revenues stagnated and any precipitous spending cut or tax increase threatened to undermine the fragile hopes for recovery.

Of course the deficit is not solely a function of carefully considered macro-economic analysis and decision-making. It's a matter of politics. Congress has an excruciatingly difficult time cutting a program or raising a tax. It throws the whole body into agony. The one-vote margin of victory for President Clinton's reasonable and considerably watered-down deficit-reduction package is evidence of that phenomenon.

So what's the congressional solution to this institutional paralysis? Pass a constitutional amendment *requiring* a balanced budget. Just as Ulysses ordered himself tied to a mast so he could resist the seductive songs of the sirens, so members of Congress want to be restrained by the Constitution from pandering to constituents who want services but don't want to pay for them.

There are so many problems with this approach — beyond the hypocrisy and professed impotence — that it's hard to know where to begin.

A national government needs flexibility to function. In a recession, for example, a certain amount of deficit spending makes economic sense. The federal government needs the ability to make investments and buy on credit - just as states finance capital projects, just as businesses finance improvements and just as individuals mortgage their houses. Debt is not, in and of itself, a bad thing; the problem is that in recent years there has been too much of it.

But that is no reason to put Congress, and the economy, in a straitjacket. The proposed constitutional amendment would allow a non-balanced budget to pass, but only if three-fifths of the Congress approved it. That virtually ensures the tyranny of minorities; 40 members of the Senate could hold any serious legislation hostage.

The amendment says nothing about how Congress will achieve the balanced budget — a feat that has escaped its mastery for more than a decade. And it's conceivable that the same cowardly Congress that is considering foisting a balanced-budget amendment upon the Constitution would foist its decision-making role upon the courts.

Who will be hurt? More than likely it will be the poorest and most vulnerable members of society, those easiest to scapegoat and least critical to re-election hopes.

And what will become of major new initiatives, like the president's health-care overhaul that calls for using Medicaid and Medicare savings to finance universal coverage? Many analysts argue persuasively that such new programs will be killed at birth by the constitutional requirement that all savings be used to reduce the deficit.

The amendment, which would require 67 votes for passage, is sponsored by Sen. Paul Simon of Illinois who is becoming the guru of simplistic solutions; he also thinks a reasonable response to the outrageous level of violence in this country is to control what appears on TV.

President Clinton opposes the measure and has urged its defeat. But it will require a courageous vote from members to buck the simplistic tide. It will take even more courage to admit that entitlements (Social Security and Medicare prime among them) are the biggest consumers of tax dollars and must be part of any real solution.

The proposal was to have been on the Senate agenda before Thanksgiving but the proponents have agreed to delay a vote until next February. We can only hope they will put the time to good use — and watch the "Wizard of Oz." Like Dorothy, legislators have had the power all along. But they must realize it themselves and act on it — no Glinda or magical amendment can cut the deficit for them.

SENT BY:Xerox Telecopier 7020 ;12- 2-93 ; 6:03PM ; → 202 223 3413;# 2
DEC-02-93 THU 06:06 P. 20

Fyl Rank

CHICAGO TRIBUNE DEC 2 1993

Balanced-budget jab seems aimed at Simon

By Elaine S. Povich
Tribune Staff Writer

1/10

WASHINGTON—Advocates of a constitutional amendment to balance the budget talk a good game but balk when given specific opportunities to cut spending, Senate Majority Leader George Mitchell said Wednesday.

Though the Maine Democrat refused to name those he believes to be insincere about the amendment, his strongly worded attack appeared to be aimed at Sen. Paul Simon (D-Ill.), chief Democratic sponsor of the amendment, and several others.

Get this?

Mitchell's office released a list of 25 opportunities in which senators could have voted to reduce the federal budget this year. They ranged from eliminating the Rural Development Administration for a saving of $3 million, to killing the National Endowment for the Arts ($170 million) and cutting back the space station ($1.4 billion). A separate tally showed Simon voting to reduce spending nine of the 25 times.

At a luncheon meeting with reporters, Mitchell repeated his "Law of Deficit Reduction Speeches," which he said is as "reliable as the law of gravity."

"The ones who make the most and loudest speeches about deficit reduction are the ones least likely to actually vote for spending cuts," he said.

He also described advocates of the balanced-budget amendment as "people who won't vote to cut spending but want to appear to their constituents to be doing something about the deficit.

Simon

Mitchell

[They] propose a process, conveniently to take place some distance in the future."

Simon, reached later Wednesday, called Mitchell's discourse a "false argument."

"The basic question is, do we need some kind of restraint that forces us to reduce spending and increase revenue if necessary to move us to a balanced budget?

"In theory, we don't need it; in practice, we do," Simon said.

He recalled that earlier this year he had introduced a bill to expand long-term Medicare services and pay for it by raising the Social Security tax by half a percentage point. Another senator, whom he refused to identify, said he would support Simon's bill but balked at the tax. A balanced-budget amendment would require that such a program expansion would have to be paid for, either with a tax increase or an offsetting spending cut.

Simon did not dispute Mitchell's citations of his votes on budget-cutting opportunities but did point out that he was one of only four senators to vote against the Senate's overall anti-crime bill this year, specifically because the Senate increased the bill's cost by $12 billion. Mitchell voted for it.

He also said other compilations of budget votes show him in the top third of the Senate in voting for key spending cuts.

Mitchell, despite his opposition to the proposed balanced-budget amendment, has promised to bring it to the Senate floor next year.

It requires a two-thirds vote, or 67 out of 100 senators, to pass, and the vote is expected to be close. Forty-eight senators have sponsored the legislation, including Sen. Carol Moseley-Braun (D-Ill.), who signed on early in the process, and 14 other Democrats.

There appeared to be new support for the amendment early this year after efforts to pass it failed in the House and Senate last year. But Sen. Robert Byrd (D-W.Va.), powerful chairman of the Senate Appropriations Committee, strongly opposed the amendment, and the Clinton administration also weighed in against it.

Mitchell said Wednesday he hopes the amendment will not pass in the Senate. House Speaker Thomas Foley (D-Wash.) has said the House will consider the amendment if the Senate passes it.

BEST COPY AVAILABLE

BALANCED BUDGET CONSTITUTIONAL AMENDMENT VOTES

Senator	Senate Aug. 4, 1982	House Oct. 1, 1982	Senate Mar. 25, 1986	House July 17, 1990	Senate Apr. 9, 1992*	House June 11, 1992	Senate July 1, 1992**	Co-sponsor S.J. Res. 41 1993
Akaka	-	N	-	-	N	-	N	N
Baucus	N	-	N	-	N	-	N	N
Bennett	-	-	-	-	-	-	-	Y
Biden	N	-	N	-	Y	-	N	N
Bingaman	-	-	Y	-	N	-	N	Y
Bond	-	-	-	-	Y	-	Y	N
Boren	Y	-	Y	-	Y	-	Y	Y
Boxer	-	-	-	N	-	N	-	N
Bradley	N	-	N	-	N	-	NV	N
Breaux	-	Y	-	-	Y	-	Y	N
Brown	-	Y	-	Y	Y	-	Y	Y
Bryan	-	-	-	-	Y	-	Y	Y
Bumpers	N	-	N	-	N	-	N	N
Burns	-	-	-	-	Y	-	Y	Y
Byrd	Y	-	N	-	N	-	N	N
Campbell	-	-	-	Y	-	Y	-	Y
Chafee	N	-	N	-	Y	-	Y	Y

* This was a vote on a nonbinding Sense of the Senate resolution. A "N" vote indicates a willingness to continue debate.

**This was a cloture vote on a Republican motion to cut off debate and move to final passage on a Balanced Budget resolution. The cloture vote failed.

Senator	Senate Aug. 4, 1982	House Oct. 1, 1982	Senate Mar. 25, 1986	House July 17, 1990	Senate Apr. 9, 1992*	House June 11, 1992	Senate July 1, 1992**	Co-sponsor S.J. Res. 41 1993
Coats	-	Y	-	-	Y	-	Y	N
Cochran	Y	-	Y	-	Y	-	Y	N
Cohen	N	-	N	-	Y	-	Y	Y
Conrad	-	-	-	-	Y	-	N	N
Coverdell	-	-	-	-	-	-	-	Y
Craig	-	Y	-	-	Y	-	Y	Y
D'Amato	Y	-	Y	-	Y	-	Y	N
Danforth	Y	-	Y	-	Y	-	Y	N
Daschle	-	Y	-	-	Y	-	Y	Y
DeConcini	Y	-	Y	-	Y	-	Y	Y
Dodd	N	-	N	-	N	-	N	N
Dole	Y	-	Y	-	Y	-	Y	N
Domenici	Y	-	Y	-	Y	-	Y	N
Dorgan	-	N	-	Y	-	Y	-	N
Durenberger	Y	-	Y	-	Y	-	Y	N
Exon	Y	-	Y	-	Y	-	N	N
Faircloth	-	-	-	-	-	-	-	N

Senator	Senate Aug. 4, 1982	House Oct. 1, 1982	Senate Mar. 25, 1986	House July 17, 1990	Senate Apr. 9, 1992*	House June 11, 1992	Senate July 1, 1992**	Co-sponsor S.J. Res. 41 1993
Feingold	-	-	-	-	-	-	-	N
Feinstein	-	-	-	-	-	-	-	Y
Ford	N	-	Y	-	Y	-	N	N
Glenn	N	-	N	-	N	-	Y	N
Gorton	N	-	N	-	Y	-	Y	N
Graham	-	-	-	-	Y	-	Y	Y
Gramm	-	Y	Y	-	NV	-	Y	Y
Grassley	Y	-	Y	-	Y	-	Y	Y
Gregg	-	-	-	-	-	-	-	Y
Harkin	-	N	Y	-	Y	-	N	N
Hatch	Y	-	Y	-	Y	-	Y	Y
Hatfield	Y	-	N	-	Y	-	Y	N
Heflin	Y	-	Y	-	Y	-	Y	Y
Helms	Y	-	Y	-	Y	-	-	N
Hollings	Y	-	Y	-	Y	-	Y	N
Inouye	N	-	N	-	N	-	N	N
Jeffords	-	N	-	-	NV	-	Y	Y

Senator	Senate Aug. 4, 1982	House Oct. 1, 1982	Senate Mar. 25, 1986	House July 17, 1990	Senate Apr. 9, 1992*	House June 11, 1992	Senate July 1, 1992**	Co-sponsor S.J. Res. 41 1993
Johnston	Y	-	Y	-	N	-	N	N
Kassebaum	N	-	N	-	Y	-	Y	N
Kempthorne	-	-	-	-	-	-	-	Y
Kennedy	N	-	N	-	N	-	N.	N
Kerrey (NE)	-	-	-	-	N	-	N	N
Kerry (MA)	-	-	N	-	N	-	N	N
Kohl	-	-	-	-	Y	-	Y	Y
Krueger	-	-	-	-	-	-	-	Y
Lautenberg	-	-	N	-	N	-	N	N
Leahy	N	-	N	-	N	-	N	N
Levin	N	-	N	-	N	-	N	N
Lieberman	-	-	-	-	N	-	N	N
Lott	-	Y	-	-	Y	-	Y	N
Lugar	Y	-	Y	-	Y	-	Y	Y
Mack	-	-	-	-	Y	-	Y	Y
Mathews	-	-	-	-	-	-	-	Y
McCain	-	-	-	-	Y	-	Y	N

Senator	Senate Aug. 4, 1982	House Oct. 1, 1982	Senate Mar. 25, 1986	House July 17, 1990	Senate Apr. 9, 1992*	House June 11, 1992	Senate July 1, 1992**	Co-sponsor S.J. Res. 41 1993
McConnell	-	-	Y	-	Y	-	Y	Y
Metzenbaum	N	-	N	-	N	-	N	N
Mikulski	-	N	-	-	N	-	N	N
Mitchell	N	-	N	-	N	-	N	N
Moseley-Braun	-	-	-	-	-	-	-	Y
Moynihan	N	-	N	-	N	-	N	N
Murkowski	N	-	Y	-	Y	-	Y	Y
Murray	-	-	-	-	-	-	-	N
Nickles	Y	-	Y	-	Y	-	Y	Y
Nunn	Y	-	Y	-	Y	-	N	N
Packwood	Y	-	Y	-	Y	-	Y	N
Pell	N	-	Y	-	Y	-	P	N
Pressler	Y	-	Y	-	Y	-	Y	Y
Pryor	Y	-	Y	-	N	-	N	N
Reid	-	-	-	-	Y	-	Y	N
Riegle, Jr.	N	-	N	-	N	-	N	N
Robb	-	-	-	-	Y	-	Y	Y

Senator	Senate Aug. 4, 1982	House Oct. 1, 1982	Senate Mar. 25, 1986	House July 17, 1990	Senate Apr. 9, 1992*	House June 11, 1992	Senate July 1, 1992**	Co-sponsor S.J. Res. 41 1993
Rockefeller	-	-	N	-	N	-	N	N
Roth, Jr.	Y	-	Y	-	Y	-	NV	Y
Sarbanes	N	-	N	-	N	-	N	N
Sasser	Y	-	Y	-	N	-	N	N
Shelby	-	Y	-	-	Y	-	Y	Y
Simon	-	N	Y	-	Y	-	Y	N
Simpson	Y	-	Y	-	Y	-	Y	Y
Smith	-	-	-	-	Y	-	Y	Y
Specter	Y	-	Y	-	Y	-	Y	N
Stevens	Y	-	Y	-	Y	-	Y	N
Thurmond	Y	-	Y	-	Y	-	Y	Y
Wallop	Y	-	Y	-	NV	-	Y	N
Warner	Y	-	Y	-	Y	-	Y	Y
Wellstone	-	-	-	-	N	-	N	N
Wofford	-	-	-	-	N	-	N	N

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 103d CONGRESS, FIRST SESSION

Vol. 139 WASHINGTON, MONDAY, NOVEMBER 8, 1993 No. 155

Senate

(Legislative day of Tuesday, November 2, 1993)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable DANIEL K. AKAKA, a Senator from the State of Hawaii.

The PRESIDING OFFICER. Today's prayer will be offered by guest chaplain Rabbi Arthur Schneier, Park East Synagogue, New York City, NY.

PRAYER

The guest chaplain, Rabbi Arthur Schneier, Park East Synagogue, New York, NY, offered the following prayer:

Let us pray:

God bless America. But God needs man. The men and women in this Chamber, who are elected by the people, understand this truth. By their commitment and dedication to the American system, they are copartners with You, O Lord, in making America the land of freedom and opportunity.

We stand in prayer today on the eve of the 55th anniversary of Kristallnacht, the infamous day and night of broken glass. The terror of those hours is still etched into my soul as I recall, as a child in Vienna, the burning of synagogues and the burning of books, fires that ultimately ended with the burning of Jews.

Kristallnacht has taught us that the right of men and women to live in peace and dignity and respect is as essential as the very air we breathe. But these are not our human rights alone; they belong also to every member of the human family. For each one of us is linked to the other in a thousand ways.

Give us the wisdom, O God, to remember what went before; the U.S. Memorial Holocaust Museum, only a mile or so from this Capitol, is a monument to the collective memory of those who perished not so long ago, the victims of cruelty, of indifference, and of silence.

Help us, O God, to see with a clear eye what is happening now and to imagine what may yet happen tomorrow. Let us remember the words of the sage Hillel and his three sublime questions:

"If I am not for myself," he asked, "then who will be for me?

"But if I am only for myself, what am I?

"And if not now, when?"

If we in the blessed land do not act—as we must—in our own self-interest there will be none to do so. But if we act only for ourselves, we will have surrendered our moral sense and moral purpose as a nation. We can never go back to the days when we tried, and failed, to insulate and isolate ourselves against the world.

The spirit of America has captured the hearts and minds of people throughout the world. Let their faith in our way of life encourage us to guard and preserve our precious freedom.

Victory belongs not to evil but to good, not to indifference but to justice, not to darkness but to light, not to death but to life. And in that final victory, with Your help, O God, America will play its role.

Heavenly Father, bless this land. Bless the President, the Vice President, the Congress, and all who labor for peace, for justice, and for the freedom of mankind, all who have learned to remember, to listen, and to act.

In the words of the Psalmist, "Let your work be revealed to your servants, and your glory upon their children. May your favor, Lord our God, rest on us [and] establish for us the work of our hands."

And let us all say: Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, November 8, 1993.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DANIEL K. AKAKA, a Senator from the State of Hawaii, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. AKAKA thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the consideration of morning business not to extend beyond the hour of 10 a.m., with the time to be under the control of the Senator from West Virginia [Mr. BYRD].

The Chair recognizes the Senator from West Virginia, [Mr. BYRD].

THE BALANCED BUDGET AMENDMENT

Mr. BYRD. Mr. President, it seems that we live in an age of little reverence and less patience. It is an era of fast food and slick advertising slogans, of instant analysis and rapid information. In politics, it is a time of sound bites and media men.

The practical application of democracy as it has evolved, with its condensed messages and its blow-dried candidates, stands in stark contrast to

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

the carefully crafted, intricate, thoughtful system envisioned by the Framers and given form by the written document known as the Constitution of the United States of America.

Representative democracy is a slow, complex, and cumbersome way of governing. Its strong point is not speed but stability. In a world enamored of instant gratification, 30-second political ads, 30-minute press conferences, rapid transit, fax machines, satellite communications, and a whole host of lifestyle subtleties that peddle speed and simplicity as invaluable commodities, I sometimes wonder if, as a people, we have somewhere lost the patience for representative democracy.

It is as if the perseverance to examine issues with meticulous care, considering and publicly debating all aspects until a solid consensus emerges, has gone out of style. Perhaps our ability to concentrate—the American attention span, if you will—has been shortened, rather like a child who has watched too much bad television. And there is all too much of that to watch.

Given our national fascination with time-saving devices that simplify our lives, it becomes easy to understand why intractable problems, without quick or obvious solutions, are especially frustrating to the American people. In many American families, both parents have to work just to make ends meet and then struggle to parcel out any leftover time, if there is any left over, to raise their children. The American people, frankly, are distracted by their own overly busy, fractured lifestyles, and the simple, quick solution is currently at a premium value.

Some in the political sphere have seized upon that distraction and have made hay out of offering one-liner solutions to the Nation's most complex problems. Some manipulative politicians have discovered that the simple, the catchy, the obvious, the easy will sell like hot cakes to an American public frustrated by the demands of making a living and disappointed by a political system that no longer seems to matter in their own daily lives.

Is the American public weary of budget deficits? Yes. Pass a constitutional amendment to balance the budget; it is just that simple.

Our forefathers did not intend that the Constitution never be amended for all time. They provided an article, article V, which provides for the amending of that document if two-thirds of both Houses and three-fourths of the States give their approval to amending the Constitution. It can be done; it has been done. We have 27 amendments, 17 since the original 10 that we refer to as the Bill of Rights.

But we are not talking about that here. We are talking about an amendment that would burst at its seams the very pillars on which this constitutional system rests: The separation of powers and checks and balances. That is what it amounts to. That is what we are talking about here. Why do we not just throw out the Constitution and start all over, start out anew? Perhaps we would rather do it by stealth, under the cloak of a balanced budget amendment to the Constitution.

Mr. President, last Monday I came to this floor to speak against Senate Joint Resolution 41. If passed by the Congress and ratified by the States, the resolution, which proposes an amendment to the Constitution, would require that the Federal budget be in balance on an annual basis.

Section 1 of the proposed constitutional amendment reads: "Total outlays for any fiscal year shall not"—it does not say may not—"shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote."

In my remarks last week, I pointed out several of the dangers inherent in placing that kind of mandate in this Nation's basic charter. Today, I want to focus on one particular aspect of this measure, Senate Joint Resolution 41. Just as Toto pulled back the curtain to expose the not-so-mighty Wizard of Oz, the curtain must be pulled back on this resolution so that the American people, too, can see that it is political sorcery.

The language in the proposed constitutional amendment mandates that outlays of the Federal Government shall not exceed receipts, and, to some, that probably sounds fairly straightforward. But if we accept that requirement, if we rivet that quack nostrum into the Constitution of the United States, then the obvious question is how do we ensure that in fact, outlays do not exceed receipts? How do we ensure that outlays do not exceed receipts? How are we supposed to comply with that constitutional mandate? Simply stating that outlays shall not exceed receipts is an empty incantation and will not make it happen. There would still need be some sort of enforcement mechanism.

Well, Mr. President, the proponents of this resolution tell us not to worry. They say, and quite correctly, that a constitutional amendment is not the place to put the particulars, put the details of how we achieve budget balance. Instead, we are told that section 6 of the proposed amendment requires the Congress to develop its own enforcement mechanism by passing the implementing legislation.

Section 6 reads as follows:

> The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

For Senators to understand what kind of wonder drug they are being asked to swallow, they need to truly understand that specific section of the resolution. I also believe that once the American people understand it, they will know that this amendment is nothing more—nothing more—than sleight of hand and political sorcery.

Section 6 of the resolution states that "The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts."

Again, Mr. President, such language would appear rather uncomplicated. Let us take a look at this sleight-of-hand mechanism. If we take a closer look, especially at the latter half of this, we will see that the entire premise of this amendment is as shaky as a house of cards. Indeed, in one single word—the word "estimates"—we find the achilles heel of the whole balanced budget amendment concept, be it Senate Joint Resolution 41 or some other version. The achilles heel is in the word "estimates."

If we follow the directive of section 6, then the central tenet of our enforcement mechanism, we would see, is to be based on "estimates of outlays and receipts." Now get that. "The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts." What the public needs to know is that, unlike most individuals who will receive a set salary or wage for the year and whose expenses are relatively stable, total outlays and total receipts of the Federal Government are not known—and in fact they cannot be known—at the beginning of any given fiscal year. It is impossible for them to be known at the beginning of any given fiscal year. All that the President and the Congress have to work with, when they begin to put the budget together, are estimates provided to them by the Office of Management and Budget and the Congressional Budget Office—estimates, nothing more.

If we have learned nothing else over the past 12 years, we have learned that actual outlays and actual receipts in any given year can and do vary from those estimates by billions of dollars. In fact, in most years, actual outlays and actual receipts do not even come close—do not even come close—to what the experts projected at the beginning of the fiscal year. As these charts will show, outlays, receipts, and deficits have consistently been misestimated in every one of the 12 years from fiscal year 1981 through fiscal year 1992, inclusive. No exception. In every one of those 12 years, the outlays, receipts and deficits have been misestimated.

Mr. President, before turning to the specifics of these charts, let me emphasize that the data presented here come from the independent and nonpartisan Congressional Budget Office. That office, created by the 1974 Congressional Budget Act, has a staff of 226 people and an annual budget of $22.3 million. By comparison, the Office of Management and Budget, which provides economic advice to the President, retains a staff of 560 people, and has an annual budget of $56.5 million. In any event, the Congressional Budget Office's primary function is to assist the Congress in the preparation and analysis of the budget by providing us with the economic and budget data we need throughout the year. As part of those duties, they are responsible for closely monitoring the Government's deficits. But, as we shall see, despite all the expertise of the individuals who work in that office, they remain powerless—powerless—to provide the accuracy that would be required under this amendment.

Now let us look at the first chart. This first chart shows the difference between revenues as estimated in the first budget resolution for each of fiscal years 1981 through 1992, versus what those revenues actually turned out to be.

In fiscal year 1981, we can see that actual revenues collected by the Federal Government were $11.2 billion less than what had been forecast in the budget resolution for that year. Eleven billion dollars, Mr. President! Then, in fiscal year 1982, revenues fell short of the estimate by $40 billion; for fiscal year 1983, the revenues fell short of the estimate by $65.3 billion; for fiscal year 1984, $13.1 billion; in fiscal year 1985, revenues fell $16.8 billion short; in fiscal year 1986, they were $26.6 billion short—$26.6 billion short of the estimates that had been projected; in fiscal year 1987, revenues were actually $1.7 billion greater than what had been expected; in fiscal year 1988, we can see that revenues again fell short of the projection by $23.8 billion; in fiscal year 1989, they were $26.4 billion greater than projected; in fiscal year 1990, they were $34 billion short of the estimate projected; in fiscal year 1991, $55.7 billion short; and in fiscal year 1992, revenues were an unbelievable $77.5 billion short of the projection—$77.5 billion short of the estimate. The last column on the chart, to the viewer's right, shows that the average difference between actual and projected revenues for these 12 fiscal years amounted to $28 billion. The average difference per year between the revenues that were estimated and the actual revenues was $28 billion. So, Mr. President, on average, over the past 12 years, we have underestimated the amount of revenues available to the Government by $28 billion every year.

The next chart shows, for the same 12 fiscal years of 1981 through 1992, the difference between estimated outlays as contained in the first budget resolution and what those outlays actually were. What was estimated, on the one hand, and what the outlays actually were, on the other hand.

Starting again on the viewer's left with fiscal year 2981, we can see that outlays were actually $46.9 billion more than what the budget resolution had estimated. In fiscal year 1982, outlays were $32.9 billion greater; in fiscal year 1983, outlays were $26.2 billion greater; in fiscal year 1984, outlays were $9.4 billion less than what had been estimated; in fiscal year 1985, outlays once again exceeded estimates by $4.8 billion; in fiscal year 1986, outlays exceeded estimates by $22.2 billion; in fiscal year 1987, $7.9 billion greater; in fiscal year 1988, the outlays exceeded the estimates by $21.7; in fiscal year 1989, the outlays were $43.2 billion greater than the estimates; in fiscal year 1990, the outlays were $85 billion greater than the estimates by the CBO at the beginning of the fiscal year. Only in fiscal years 1991 and 1992 were outlays appreciably lower than what had been estimated. As we can see, Mr. President, actual outlays in those 2 years were lower than estimates by $40.4 billion and $66.1 billion, respectively. But, even though they were lower than what had been expected, the point is that they still differed significantly from the original estimates. And finally, as the last column shows, the average difference—the average difference—between actual and estimated outlays for those 12 fiscal years amounted to $14.6 billion.

And that was the average difference, the average annual difference over the 12 years?

Chart 3 gives us the differences between actual budget totals and first budget resolution estimates for fiscal years 1981 through 1992—the actual deficits.

Since the difference between the revenues and outlays—the difference between the revenues on one hand and the outlays on the other—is what makes up the deficit, this third chart shows the difference between what the deficit was estimated to be and what it actually turned out to be for fiscal years 1981 through 1992.

For fiscal year 1981, the deficit was $58.1 billion larger than had been estimated; for fiscal year 1982, the deficit was $72.9 billion larger; for fiscal year 1983, the deficit was $91.5 billion higher than the estimated deficit. For fiscal year 1984, the difference narrowed some, but the deficit was still $3.7 billion larger; then in fiscal year 1985, it went back up to $21.6 billion larger than the estimate; in fiscal year 1986, the deficit was $48.8 billion larger; in fiscal year 1987, $6.2 billion larger; in fiscal year 1988, the actual deficit was $45.5 billion higher than the estimate; in fiscal year 1989, $16.8 billion larger than the estimate; in fiscal year 1990, the deficit was an astounding $119.1 billion higher than what had been estimated; in fiscal year 1991, Congress did better, but still the deficit was $15.3 billion larger than the estimate; and in fiscal year 1992, $11.4 billion larger. The last column, on the viewers' right, shows that the average difference for those twelve years was $42.6 billion. Mr. President, as we can see from this chart, in only 2 of those 12 years was the actual deficit within $10 billion of what had been estimated.

In only two of those years, 1984 and 1987, in only those 2 years, was the actual deficit within $10 billion of what had been estimated.

The point of these charts is to show that, no matter how hard the Congress, in the budget resolution, tries to estimate outlays and receipts, it has repeatedly failed.

In the days of the tyrannical monarchs, the heads at CBO would have gone off. The people at CBO would have lost their heads.

In 10 of the past 12 years, revenues have been lower than expected, and in 9 of the 12 years, outlays have been greater than expected.

Let me say that again. In 10 of the past 12 years, revenues have been lower than the estimates, and in 9 of the 12 years, outlays have been higher than the estimates.

And there is nothing in this resolution, nothing in this resolution, or any other resolution or any other version of the balanced budget amendment, that can correct that problem.

And there is not one among the 100 Senators who can come up with a version that will correct it; not one. All 100 Senators cannot come up with a constitutional amendment that would allow us to proceed on the basis of estimating receipts and outlays versus actual receipts and outlays and come out with accurate estimates. It cannot be done.

Despite knowing that the estimates we must work with will inevitably be in error, they are exactly what this resolution would have us rely on. Remember, it says right there in section 6 that we "may rely on estimates of outlays and receipts."

That is it. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

What does that mean? What are we talking about? Well, section 1 states, "total outlays for any fiscal year shall not"—shall not—"exceed total receipts for that fiscal year * * *"

And then how will it be done? The magic incantation is, in section 6, "The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts."

Despite knowing that the estimates we must work with will inevitably be in error, they are exactly what this resolution would have us rely on. It says so. It says we "may rely on estimates of outlays and receipts."

We already have a process for estimating revenues, outlays, and deficits prior to each fiscal year, and as we have seen, it is far from perfect. So what is Congress to do? It is ludicrous to think that, just because we pass this resolution, we will somehow come up with a new system that will accurately predict balanced budgets in advance of each fiscal year. It cannot be done.

Of course, it would be easy to say that all we need to do to correct the dilemma is to find more competent budget analysts. Let us throw the rascals out and hire a whole new batch of analysts. Unfortunately, it is not that simple. The plain truth is that the men and women who help put these figures together each year are not at fault. If not the analysts, then, who is the culprit? In simple terms, the miscalculations that we have seen displayed on these charts can be put into three categories: policy miscalculations, economic miscalculations, and technical miscalculations. Those are the terms used by the Congressional Budget Office to explain the differences between the budget estimates and what actually occurred each year: Policy, economic, and technical.

The first of these terms refers to any portion of these differences that can be attributed to the Congress' passing legislation that was not accounted for in the estimates.

However, over the 12 fiscal years represented on these charts, policy differences accounted for the smallest amount of estimation error. In fact, enactment of legislation by the Congress since 1990 has been but a very small portion of the deficit error. The reason for this, Mr. President, is the pay-as-you-go requirement and the spending caps that were instituted with the 1990 Budget Enforcement Act and extended this summer with the 1993 Omnibus Budget Reconciliation Act. These are tough new requirements that have worked to restrain spending because the only way around them is with the designation of an emergency.

The second reason for the difference between actual versus estimated revenues, outlays, and deficits, is attributed to the failure of budget analysts to anticipate the actual performance of the economy. I know that some Americans may not be aware of the fact that, when the budget is put together, it is based on certain economic assumptions. Factors such as the gross national product, the unemployment rate, the inflation rate, and interest rates must be assumed for the upcoming year. They have to be assumed because they cannot be known.

Therefore, if more Americans are unemployed than had been anticipated, the Government will have larger outlays for unemployment insurance benefits, food stamps, and so on, than originally thought. This larger payout for these benefits would then be categorized as an economic error. Likewise, if interest rates unexpectedly go up, then the amount of interest we have to pay on the national debt would be higher. This, too, would be considered as an economic error. Nobody can help it. No one could foresee it.

To illustrate this point further, Mr. President, we need only look to the recent recession. Because that recession was deeper than expected, and the recovery weaker, revenues unexpectedly fell in fiscal year 1992 by $46.3 billion. In addition, these lower-than-projected revenues, due to the economy's failure to perform as expected, caused the fiscal year 1992 budget deficit to exceed the budget resolution's deficit estimate by $25.7 billion.

The third reason why estimates are inaccurate is due to what CBO calls technical differences. This category contains a number of items. Most notable among these are the miscalculations due to rising health care costs associated with the Medicare and Medicaid programs.

Mr. President, I know all of these explanations and numbers must be mind-numbing to the American people. But the fact that this material may be dry does not make it any less true or important. What is important, though, is that the public understands that errors in estimates attributable to economic factors accounted for 53.8 percent of the $42.6 billion average error in the deficit projection for the period 1981 to 1992, inclusive. What that means, simply, is that of all of the factors that account for deficit estimates being out-of-sync with reality, more than half of the average error over the past 12 years was due to factors that we will never be able to correct, unless, of course, someone has a crystal ball that can accurately tell us at the beginning of each year what the unemployment rate, the interest rate, the inflation rate, and the gross domestic product will be for that year. It cannot be done.

This is why I refer to the word "estimates" as being the achilles' heel of the balanced budget amendment. On the one hand, under this resolution we would be mandated to balance the Federal budget every year. But while we struggle with that difficult task, the economic information we have at our disposal will inevitably be in error, and more than half of that error will be due to factors beyond anyone's control. Mr. President, what a balanced budget amendment amounts to is like telling someone that they must drive their car 100 miles, but only giving them 80 miles worth of gas. No matter how hard they try, or how well-intentioned they may be, there is just no way on God's green Earth that they can make up that last 20 miles.

If we know, then, that we must balance the budget, and we also know that it is impossible to do that at the beginning of the year, it should be obvious to everyone that the Congress will be forced to pull out its old bag of tricks and bring back the smoke and mirrors and rosy scenarios to make this appear to work. They will not make it work. They will make it appear to work. So what can the American people expect to see if this catastrophe is inserted into the Constitution? Rather than rely on my own imagination, Mr. President, I would like to read to the Senate a few ideas that come from the Judiciary Committee's own report that accompanies Senate Joint Resolution 41.

This is the Judiciary Committee's own report that accompanies Senate Joint Resolution 21.

On page 11 of that report—get it and read it—Senate report 103-163, it is stated that: "This provision"—meaning section 6—"gives Congress an appropriate degree of flexibility in fashioning necessary implementing legislation." What is meant by "flexibility?"

The report continues: "For example, Congress could use estimates of receipts or outlays at the beginning of the fiscal year to determine whether the balanced budget requirement of section 1 would be satisfied, so long as the estimates were reasonable and made in good faith." Does this mean that if we pass a budget that is balanced, at least on paper, we need not worry if the budget becomes unbalanced during the course of the year? Is that the ideal we are supposed to include in our implementing legislation? If that is what the sponsors of this amendment have in mind, I think that is a very different approach than what the American people are expecting from a balanced budget amendment.

We have already seen that the estimates of revenues and outlays are invariably wrong, and that is understandable. But the committee report says "Congress could use estimates of receipts or outlays at the beginning of the fiscal year to determine whether the balanced budget requirement of section 1 would be satisfied, so long as the estimates were reasonable* * *."

Who knows what "reasonable" is? Who is to say what is reasonable? "* * * so long as the estimates were reasonable and made in good faith." How do we know whether or not they were made in good faith? Who is to say? Who is to know whether they were made in good faith?

The next sentence states: "In addition, Congress could decide that a deficit caused by a temporary, self-correcting drop in receipts or increase in outlays during the fiscal year would not violate the article." Mr. President, what that sentence says to me, is that, at the same time the proponents of this amendment are telling the American people that a constitutional amendment will bring about balanced budgets, they are telling the Congress that they do not expect us to practice what we preach. If we followed this advice and the Congress codified a broad definition of the words "temporary" and "self-correcting," then we will have found the escape hatch—aha, there it is, this is the escape door that we all know will be needed under this amendment. But will that be what the American people expect from this amendment?

The proponents have trumpeted from the Atlantic to the Pacific, from the Canadian border to the Gulf of Mexico: This is the wonder cure. This is the wonder drug, a prescription for budget deficits. A politician appearing before an audience, can ask the question: "How many of you believe that we ought to have a balanced budget amendment to the Constitution?" All hands will go up. "Well, I want to tell you, ladies and gentlemen, you elect me, and I will vote for a constitutional amendment to balance the budget."

Get your applause meters going. That is a sure way to ring the bell. This wonder drug is the way to get votes. It is not a sure cure, but it is a sure way to get votes.

Reading again from the report, the next sentence states:

Similarly, Congress could state that very small or negligible deviations from a balanced budget would not represent a violation of section 1.

Now get that. Let us read it again.

Similarly, Congress could state that very small or negligible deviations from a balanced budget would not represent a violation of section 1.

How small is small? How small is a negligible deviation?

It reminds me of Abraham when he intervened on behalf of the city of Sodom. He asked God if, perchance, there were 50 people in Sodom who were righteous people, would God spare Sodom. God answered yes. Abraham then asked, if there were less than 50, perchance 45, would you spare Sodom? God said, yes, if there are 45, He would spare Sodom. Perchance, if there were 40, would you spare Sodom? God answered, yes. Perchance 30? God answered in the affirmative. Perchance there were 20? God said He would spare Sodom if there were 20. If only 10, would you spare Sodom? God answered that if there were 10 righteous men in Sodom, He would spare the city.

This is the same thing in a reverse sort of way.

If Congress could state that very small, or negligible, deviations from a balanced budget would not represent a violation of section 1, how small is small?

Is it $5 billion? Yes. Well, if $5 billion is "small," how about $10 billion? If $10 billion is "negligible," what is wrong with $11 billion? OK. If $11 billion is small, how about $12 billion? And if $12 billion is only a "negligible" deviation, how about $15 billion? So, where do we stop?

Here, Mr. President, we have the suggestion that the Congress could just stand up and declare that certain amounts of deficit, as long as we determined them to be "negligible," they are not in violation of the amendment.

A $25 billion deviation—Congress could say it is OK. It is "small." Small in comparison to what? When considered in the context of a budget that is $1.5 trillion, it is negligible.

But if we were to constitutionalize the mandate that outlays must not exceed receipts, any congressional attempt to deviate from that requirement would bring the moral authority of the entire Constitution into question.

I will say that again.

If we were to constitutionalize the mandate that outlays shall not exceed receipts—that is what the amendment says. It does not say "may not," the amendment mandates that outlays shall not exceed receipts. If we were to constitutionalize the mandate, any attempt to deviate from that requirement would bring the moral authority of the entire Constitution into question.

If we could violate this amendment with impunity, then what other provisions of the Constitution might be put in peril? Finally, this paragraph is really a wonder drug paragraph; it will fit any prescription for a balanced budget. Amazing new, wonder drug, this section 6. Do not vote for it. If you follow me, Senators, and listen carefully, you can see that this will not work.

Finally, the last sentence in this paragraph states:

If an excess of outlays over receipts were to occur, Congress can require that any shortfall must be made up during the following fiscal year.

There you have it. What a prescription for a balanced budget. That is a massive loophole. Let me read it again.

If an excess of outlays over receipts were to occur, Congress can require that any shortfall must be made up during the following fiscal year.

That is a loophole that, if adopted by the Congress as part of its implementing legislation, would be big enough for Attila, the king of the Huns, and his hordes of horsemen from Central Asia to sweep through.

What the sponsors of the amendment are telling us is that, if Congress cannot figure out what to do, if Congress runs into options too difficult to swallow, Congress can just require that the shortfall be made up the next year. Just put it off until the next year.

Mr. President, what kind of fiscal shenanigan is this? Just put it over until next year.

Let me emphasize again: These suggestions for dealing with the deficit under a balanced budget amendment come from the committee's report. Every Senator, every Senator's office should get that report, the Judiciary Committee's report on Senate Joint Resolution 41. Read it. As such, these suggestions in the committee report would not become part of the underlying resolution if it were to pass. They are not going to be incorporated into the constitutional amendment. They would not have any force of law. But, nevertheless, they give the American people some idea of the kinds of gimmicks and evasions the people can expect to see if this constitutional amendment is adopted by the Congress and ratified by three-fourths of the States.

The American people are being sold a bag of budget tricks. Is this what the American people want? Are they being told about the realities of what it would take to balance the budget each and every year?

As I listen to those who speak in favor of a balanced budget amendment, I do not hear them telling the public that we really intend just to roll the deficit over into the following year. I do not hear them telling the public that the Congress will just state that the deficit is "negligible," and so we do not have to deal with it. I do not hear them telling the public that, if this measure is passed and ratified, the implementing legislation will only require that the budget be balanced on paper at the beginning of the year. That is not what the American people are being told.

Mr. President, if this matter were not so serious, if it were not so dangerous to the delicate separation and balance of powers that were put in place more than 200 years ago, and if it would not have such cataclysmic effects on the economic well-being of the American people, what we have seen today, with respect just to section 6 would be laughable. It would be laughable. But it is really not laughable. And the sooner the American people begin to understand that, and the sooner the Members of this body understand that, the sooner we will realize the serious policy choices that must be made if we are to put our fiscal house in order.

Mr. President, if this amendment is ever enshrined in our Constitution, it would be impossible to accomplish the task of health-care reform that so many want. And it would have been impossible to fund the crime bill that many of our fiscally conservative friends so desperately wanted.

Mr. President, how much confidence do even the authors of this amendment have, if right in the committee report, they start figuring out ways to get around this amendment? How much confidence do they have—the sponsors of the amendment—if right in the committee report they start figuring out ways to get around the amendment? No, Mr. President, this proposal is not worthy of being enshrined in our Constitution. It is little more than political catnip offered to disguise the real difficulty of getting our budgets in balance. I do not think we should perpetrate this charade upon the American people. If it were simply a political sham, which it is, if it were just a political dodge, which it is, it would be regrettable and unwise to adopt. But it is much, much worse than those things.

This proposal is dangerous. Within its murky appeal and unsound formula for budget balance lie the seeds for the further diminishment of the trust of the people in their Government. The legislative branch can ill afford any more cynicism and loss of trust. And this Senator worries almost as much about the trust deficit as he does about the budget deficit.

Often Members believe that doing what seems to be the safe thing—the popular thing—will prove also to be the right thing. Political correctness is supposed to be the order of the day, I guess. I believe that endorsing this balanced budget amendment has taken on the aura of a politically correct act. It has become a litmus test of sorts—the right choice to make the political proprietary meter register 100 percent in one's favor.

But whether or not we amend the Constitution in this damaging way is far too important for us to take the temporarily easy way out. The American people must be made to understand that once they take a closer look at this amendment, it is far from what it seems. I hope that each Senator will carefully study this amendment before voting on it. I believe close and open-minded scrutiny of this proposal shreds it, reveals its many shortcomings, and unmasks its benign countenance to reveal the sinister seeds of a constitutional crisis in the making.

Surely we will not travel this road if we are fully aware of where it may lead. In the days ahead, let us be very sure of just what it is we propose to do to our country and to our Constitution before we act.

I thank the Chair and I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER (Mr. GRAHAM). The Senator from Iowa [Mr. GRASSLEY] is recognized.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that I may speak for 6 minutes, as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa is recognized.

AIR FORCE C-17 CONTRACTS

Mr. GRASSLEY. Mr. President, since the beginning of the year, I have spoken several times about financial mismanagement and abuse on Air Force C-17 contracts.

My thoughts on the subject have been drawn almost exclusively from reports prepared by the inspector general [IG] at the Department of Defense [DOD]

Admitedly, Mr. President, those reports focused on financial mismanagement and abuse that occurred between July 1, 1990, and December 31, 1990.

That was 3 years ago. That was a long time ago. Some say that the Air Force has cleaned up the C-17 act.

They say the Air Force has fixed the problem.

Well, that is pure baloney. There has been no let up.

Anyone having doubts about my assessment of C-17 contract mismanagement need not go far for confirmation. Just go to your nearest Armed Services Committee report.

The same old problems persist right up to the present time.

Mr. President, I would like to quote from the House Armed Services Committee Report No. 103-200, dated July 30, 1993.

I quote from page 77:

> After an extensive set of hearings, the committee learned that the C-17 remains a seriously troubled program * * * in a way that defies remedy. The contractor may be in default on the full-scale development contract and plans to seek $1.2 billion in claims against the government. And lax management by the Air Force may be signaling that the government has no intention of enforcing the contract terms or terminating the program.

Mr. President, that is a devastating assessment. It is an indictment of the C-17 program.

The Senate Armed Services Committee Report No. 103-112, dated July 27, 1993, is almost as critical of the C-17 program as its House counterpart.

This is what the Senate Armed Services Committee says about the C-17.

I quote from page 40:

> The committee is at the limit of its patience with the C-17 program, due to serious mismanagement by the Air Force and the contractor, and is approaching the point of advocating program termination.

Mr. President, we have serious criticism about the C-17 coming from both Armed Services Committees. That is reason for concern. That is a red warning flag. We need to pay attention. That criticism is based on extensive knowledge.

Mr. President, my concerns flow from two related developments.

First, C-17 aircraft delivered to date do not meet important contract specifications.

Official Air Force and DOD documents, such as the DD-250—or Material Inspection and Receiving Report—clearly indicate that C-17 aircraft delivered to date have significant contract deficiencies.

Mr. President, I am not talking about Mickey Mouse stuff, either.

does not meet range/payload specifications or specs as they are called. The C-17 has failed to demonstrate the capability to carry cargo into a short, 3,000-foot runway.

That is not rinky dink stuff.

Mr. President, what we are talking about here are deficiencies that could undermine the primary justification for the C-17.

Second, DOD is developing an unsatisfactory solution for the problem. The plan is outlined in a memo from the new DOD acquisition czar, Mr. John M. Deutch, to the Secretary of the Air Force. It is dated May 11, 1993.

Mr. Deutch has essentially told the Air Force to revise the C-17 specs as the service sees fit.

Mr. Deutch has given the Air Force a license to steal.

The Deutch memo gives credence to the House Armed Services Committee's warning that the "Government has no intention of enforcing the terms of the contract."

The Deutch plan will help the contractor and the airplane meet the specs. The specs will be lowered.

The specs will meet the airplane rather than having the airplane meet the specs. This is one way to achieve harmony on contracts. It is also a waste of money.

We paid McDonnell Douglas top dollar to meet much more stringent specs.

More stringent specs are more expensive because they involve greater risk. They may not be feasible.

If the C-17 cannot meet the more stringent specs, then the McDonnell Douglas must either correct the problem or repay the Government a reasonable sum of money for lost performance.

Otherwise, Mr. President, the contract should be terminated for default.

But, Mr. President, we all know that is not going to happen. The contract will be modified to meet the airplane.

We are headed down that road, again.

News reports suggests that the deed is done.

The C-17's range/payload specifications have been adjusted downward on three different occasions—November 1985, March 1990, July 1991. They are about to take another nose dive.

Each time we paid for higher specs but end up with lower ones and still pay full price and more.

The practice of harmonizing contract specs to match product performance makes a mockery of defense contracting.

Mr. President, if contracts are constantly modified to meet product performance, what value do contracts have?

Mr. President, I know the Armed Services Committee is trying to grapple with the problem.

Mr. President, the Armed Services Committee is trying to impose some discipline on the C-17 program and to prevent further erosion of critical aircraft performance specifications.

Thanks to the Armed Services Committee, the fiscal year 1994 defense authorization bill includes a provision—section 124—designed to hold the line on a long list of important C-17 performance requirements.

Mr. President, Senator D'AMATO and I offered an amendment to the fiscal year 1994 Defense appropriations bill, section 8142, that would buttress the section 124 of the authorization bill.

Our amendment was adopted on October 18.

It would attempt to draw a line on contract specifications.

Mr. President, our amendment would help to ensure: First, that progress payments on fiscal year 1994 contracts are commensurate with the work performed; and second, that the work performed meets the quality standards established in those contracts.

If fiscal year 1994 C-17 aircraft are on schedule, within cost, and meet contract specifications, then the money will flow as planned. If not, then there is a problem—as there should be.

Our amendment would help to reinforce and reinvigorate section 2307 of title X, which the DOD IG says is being ignored and abused.

What is the bottom line?

I want to send a clear signal to the Air Force: Obey the law when making progress payments on C-17 contracts. And that is it.

Mr. President, I hope the Appropriations Committee will protect our amendment in conference.

If you support the C-17 program but want better management, then you should support my amendment.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Iowa is recognized.

United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

FOR IMMEDIATE RELEASE

**House and Senate Sponsors
Introduce Balanced Budget Amendment**

WASHINGTON -- The leading sponsors of the Balanced Budget Amendment to the U.S. Constitution re-introduced the amendment on February 4, 1993 in both the House and the Senate.

The amendment represents a bipartisan, bicameral effort to establish in the Constitution the principle that the federal government must not spend beyond its means. In the Senate, efforts to pass the proposal will continue to be led by Sen. Paul Simon, D-Ill., its chief sponsor, joined by a core group of cosponsors that includes Sens. Dennis DeConcini, D-Ariz.; Howell Heflin, D-Ala; Orrin Hatch, R-Utah; Strom Thurmond, R-S.C.; and Larry Craig, R-Idaho;. In the House, the drive to enact the amendment will be led by Rep. Charles Stenholm, D-Texas, its chief sponsor, and Rep. Bob Smith, R-N.H., along with Reps. Payne, D-VA; Kennedy, D-Mass.; Snowe, R-ME; and Inhofe, R-Okla.

The amendment requires the Federal Government to achieve and maintain a balanced budget, unless three-fifths of the House and the Senate approve a specific excess of spending over receipts. Congress may also waive the balanced budget requirement during wartime or when the threat of military action is imminent. According to Hatch, "These provisions achieve the flexibility and strong mandate necessary to set our nation on a path toward fiscal responsibility."

The constitutional amendment is identical to the proposal hammered out last summer in extensive negotiations among key House and Senate sponsors. Last June, this consensus version came within nine votes of the two-thirds needed for passage in the House. Simon, chairman of the Senate subcommittee with jurisdiction over constitutional amendments, said the amendment "will be the principal vehicle for a structural balanced budget reform in both the House and Senate. The amendment is a tool of fiscal discipline that would make balanced budgets the general rule, instead of the rare exception."

The congressional sponsors say that the broad-based support for the amendment reflects a growing recognition in Congress, and in the nation as a whole, that persistent budget deficits cause long term economic damage. A poll conducted by ABC and the Washington Post on January 14 through 17 revealed that, by a margin of more than two-to-one, Americans feel a major reduction in the federal deficit is far more important than short-term spending to boost the economy. Referring to this recent poll, as well as other survey results, Stenholm commented, "if ever a President has been given a mandate for deficit reduction, surely President Clinton has. The public understands the devastating effect of ever-growing deficits. They also understand that a constitutional guarantee is the only way to ensure fiscal responsibility in the future."

The amendment sponsor's note that recent economic studies have reinforced concerns about the government's lack of fiscal discipline. Last June, the General Accounting Office warned that present fiscal policies are likely to lead to economic stagnation, or even financial crisis, unless action is taken to reduce the growing burden of federal debt. According to recent estimates by the Congressional Budget Office, the budget deficit for the current fiscal year will be $310 billion, the twenty-fourth straight year that federal spending has exceeded revenues. Gross interest payments, estimated at $295 billion in the current year, are only $7 billion less than social security expenses, the largest spending item in the budget. Referring to these figures, Congressman Smith observed that, "With a $4 trillion debt and an ever growing deficit, the American people have concluded that Congress can't muster the political will to balance the budget without a constitutional requirement to do so."

X

103D CONGRESS
1ST SESSION

S. J. RES. 41

Proposing an amendment to the Constitution of the United States to require a balanced budget.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 4 (legislative day, JANUARY 5), 1993

Mr. SIMON (for himself, Mr. HATCH, Mr. DECONCINI, Mr. THURMOND, Mr. HEFLIN, Mr. CRAIG, Mr. KOHL, Mr. GRASSLEY, Ms. MOSELEY-BRAUN, Mr. BROWN, Mr. DASCHLE, Mr. COHEN, Mr. BRYAN, Mr. PRESSLER, Mr. SHELBY, Mr. BENNETT, Mr. GRAHAM, Mr. SMITH, Mr. KRUEGER, Mr. KEMPTHORNE, Mr. MATHEWS, Mr. NICKLES, Mr. CAMPBELL, and Mr. LUGAR) introduced the following joint resolution; which was read twice and referred to the Committee on the Judiciary

---

JOINT RESOLUTION

Proposing an amendment to the Constitution of the United States to require a balanced budget.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1999 or with the second fiscal year beginning after its ratification, whichever is later.".

O

BALANCED BUDGET COALITION
STEERING COMMITTEE

		Tele.No.	Fax No.
1.	Chuck Loveless, Director Department of Legislation	202-429-1194	202-223-3413
	Ed Jayne	429-1188	
	Marge Allen	429-1184	
	Lark	429-5021	
	AFSCME 1625 L Street, N.W. Fifth Floor Washington, D.C. 20036		
2.	Evelyn Morton **AARP** 601 E Street, N.W. Washington, D.C. 20049	202-434-3760	202-434-3758
3.	Gary Bass Harold Colton **OMB WATCH** 1731 Connecticut Ave., N.W. Fourth Floor Washington, D.C. 20009	202-234-8494	202-234-8584
4.	Susan Dahlquist **NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY & MEDICARE** 2000 K Street, N.W. Suite 800 Washington, D.C. 20006	202-822-9459	202-822-9612
5.	Christine Viera **CHILDRENS DEFENSE FUND** 25 E Street, N.W. Washington, D.C. 20001	202-662-3599	202-662-3540
6.	Ken Fealing **SEIU** 1313 L Street, N.W. Washington, D.C. 20005	202-898-3353	202-898-3304
7.	Moses Holmes **NATIONAL EDUCATION ASSOCIATION** 1201 16th Street, N.W. Washington, D.C. 20036	202-822-7326	202-822-7741

8.	Ellen Nissenbaum Bob Greenstein **CENTER ON BUDGET AND POLICY PRIORITIES** 777 North Capitol Street, N.W. Suite 705 Washington, D.C. 20002	202-408-1080	202-408-1056
9.	Tom Owens Peggy Taylor **AFL-CIO** 815 16th Street, N.W. Third Floor Washington, D.C. 20006	202-637-5246	202-637-5058
10.	Suzanne Greenfield **COMMON CAUSE** 2030 M Street, N.W. Third Floor Washington, D.C. 20036	202-736-5745	202-659-3716
11.	George Gould **NATIONAL ASSOCIATION OF LETTER CARRIERS** 100 Indiana Ave., N.W. Washington, D.C. 20001	202-393-4696	202-737-1540
12.	Ralph DeGennaro **FRIENDS OF THE EARTH** 1025 Vermont Ave., N.W. Third Floor Washington, D.C. 20005	202-783-7400 ext. 286	202-783-0444
13.	Mark Palavin **AMERICAN JEWISH CONGRESS** 2027 Massachusetts Ave., N.W. Washington, D.C. 20036	202-332-3888	202-387-3434
14.	Jeff Faux/Todd Schafer **ECONOMIC POLICY INSTITUTE** 1730 Rhode Island Ave., N.W. Suite 200 Washington, D.C. 20036	202-775-8810	202-775-0819
15.	Wendell Belew **BLF** 1150 Connecticut Ave., N.W. Suite 900 Washington, D.C. 20036	202-862-4348	202-862-4399;4130
16.	Jennifer Vasiloff Coalition For Human Needs 1000 Wisconsin Avenue, N.W. Washington, D.C. 20007	202-342-0726	202-342-1132

LEGI-SLATE Report for the 103rd Congress Tue, December 14, 1993 10:51am (EST)

Cosponsors of S.J.R.41
Since the Beginning of the 103rd Congress

S.J.R.41 BY SIMON (D-IL) -- Constitution of the United States, Amendment - Balanced Budget

CURRENTLY: 18 Democrats
31 Republicans
---
49 Cosponsors

- - - - - - - - - - - - - - - - -

BENNETT (R-UT)	As Introduced 02/04/93
BINGAMAN (D-NM)	Added 09/21/93
BOND (R-MO)	Added 10/25/93
BOREN (D-OK)	Added 09/21/93
BROWN (R-CO)	As Introduced 02/04/93
BRYAN, RICHARD (D-NV)	As Introduced 02/04/93
BURNS (R-MT)	Added 09/30/93
CAMPBELL (D-CO)	As Introduced 02/04/93
CHAFEE (R-RI)	Added 04/27/93
COHEN (R-ME)	As Introduced 02/04/93
COVERDELL (R-GA)	Added 09/30/93
CRAIG (R-ID)	As Introduced 02/04/93
DASCHLE (D-SD)	As Introduced 02/04/93
DECONCINI (D-AZ)	As Introduced 02/04/93
DORGAN (D-ND)	Added 10/25/93
D'AMATO (R-NY)	Added 11/09/93
EXON (D-NE)	Added 10/19/93
FEINSTEIN (D-CA)	Added 03/30/93
GORTON (R-WA)	Added 11/05/93
GRAHAM, BOB (D-FL)	As Introduced 02/04/93
GRAMM, PHIL (R-TX)	Added 09/30/93
GRASSLEY (R-IA)	As Introduced 02/04/93
GREGG (R-NH)	Added 03/03/93
HATCH (R-UT)	As Introduced 02/04/93
HEFLIN (D-AL)	As Introduced 02/04/93
HELMS (R-NC)	Added 11/10/93
HOLLINGS (D-SC)	Added 11/05/93
HUTCHISON (R-TX)	Added 11/19/93
JEFFORDS (R-VT)	Added 09/30/93
KEMPTHORNE (R-ID)	As Introduced 02/04/93
KOHL (D-WI)	As Introduced 02/04/93
KRUEGER (D-TX)	As Introduced 02/04/93

LUGAR (R-IN)	As Introduced 02/04/93
MACK (R-FL)	Added 09/30/93
MATHEWS (D-TN)	As Introduced 02/04/93
MCCAIN (R-AZ)	Added 10/07/93
MCCONNELL (R-KY)	Added 09/30/93
MOSELEY-BRAUN (D-IL)	As Introduced 02/04/93
MURKOWSKI (R-AK)	Added 02/17/93
NICKLES, DON (R-OK)	As Introduced 02/04/93
PACKWOOD (R-OR)	Added 10/13/93
PRESSLER (R-SD)	As Introduced 02/04/93
ROBB (D-VA)	Added 09/07/93
ROTH, WILLIAM (R-DE)	Added 09/30/93
SHELBY (D-AL)	As Introduced 02/04/93
SIMPSON (R-WY)	Added 07/23/93
SMITH, ROBERT C. (R-NH)	As Introduced 02/04/93
THURMOND (R-SC)	As Introduced 02/04/93
WARNER (R-VA)	Added 04/27/93

LEGI-SLATE Report for the 103rd Congress Tue, December 14, 1993 10:48am (EST)

Cosponsors of H.J.R.103
Since the Beginning of the 103rd Congress

H.J.R.103 BY STENHOLM (D-TX) -- Constitution of the United States, Amendment - Balanced Budget

CURRENTLY: 87 Democrats
170 Republicans
---
257 Cosponsors
1 Withdrawn

- - - - - - - - - - - - - - - -

ALLARD (R-CO)	As Introduced 02/04/93
ANDREWS, MIKE (D-TX)	As Introduced 02/04/93
ANDREWS, ROBERT (D-NJ)	Added 10/06/93
ARCHER (R-TX)	As Introduced 02/04/93
ARMEY (R-TX)	As Introduced 02/04/93
BACCHUS (D-FL)	As Introduced 02/04/93
BACHUS (R-AL)	As Introduced 02/04/93
BAESLER (D-KY)	As Introduced 02/04/93
BAKER (R-LA)	As Introduced 02/04/93
BAKER, BILL (R-CA)	As Introduced 02/04/93
BALLENGER (R-NC)	As Introduced 02/04/93
BARCIA (D-MI)	As Introduced 02/04/93
BARRETT (R-NE)	As Introduced 02/04/93
BARTLETT (R-MD)	As Introduced 02/04/93
BARTON (R-TX)	As Introduced 02/04/93
BATEMAN (R-VA)	As Introduced 02/04/93
BENTLEY (R-MD)	As Introduced 02/04/93
BEREUTER (R-NE)	As Introduced 02/04/93
BEVILL (D-AL)	As Introduced 02/04/93
BILBRAY (D-NV)	As Introduced 02/04/93
BILIRAKIS (R-FL)	As Introduced 02/04/93
BLILEY (R-VA)	As Introduced 02/04/93
BLUTE (R-MA)	As Introduced 02/04/93
BOEHLERT (R-NY)	As Introduced 02/04/93
BOEHNER (R-OH)	As Introduced 02/04/93
BONILLA (R-TX)	As Introduced 02/04/93
BREWSTER (D-OK)	As Introduced 02/04/93
BROWDER (D-AL)	As Introduced 02/04/93
BRYANT, JOHN (D-TX)	As Introduced 02/04/93
BUNNING (R-KY)	As Introduced 02/04/93

BURTON (R-IN)	As Introduced 02/04/93
BUYER (R-IN)	As Introduced 02/04/93
CALLAHAN (R-AL)	As Introduced 02/04/93
CALVERT (R-CA)	As Introduced 02/04/93
CAMP (R-MI)	As Introduced 02/04/93
CANADY (R-FL)	As Introduced 02/04/93
CASTLE (R-DE)	As Introduced 02/04/93
CHAPMAN (D-TX)	As Introduced 02/04/93
CLEMENT (D-TN)	As Introduced 02/04/93
CLINGER (R-PA)	As Introduced 02/04/93
COBLE (R-NC)	As Introduced 02/04/93
COLLINS (R-GA)	As Introduced 02/04/93
CONDIT (D-CA)	As Introduced 02/04/93
COOPER (D-TN)	As Introduced 02/04/93
COPPERSMITH (D-AZ)	As Introduced 02/04/93
COSTELLO (D-IL)	As Introduced 02/04/93
COX, CHRISTOPHER (R-CA)	As Introduced 02/04/93
CRAMER (D-AL)	As Introduced 02/04/93
CRANE (R-IL)	As Introduced 02/04/93
CRAPO (R-ID)	As Introduced 02/04/93
CUNNINGHAM (R-CA)	As Introduced 02/04/93
DANNER (D-MO)	Added 10/06/93
DARDEN (D-GA)	As Introduced 02/04/93
DE FAZIO (D-OR)	Added 07/15/93
DE LA GARZA (D-TX)	As Introduced 02/04/93
DEAL (D-GA)	As Introduced 02/04/93
DELAY (R-TX)	As Introduced 02/04/93
DERRICK (D-SC)	Added 03/18/93
DEUTSCH (D-FL)	Added 10/06/93
DIAZ-BALART (R-FL)	As Introduced 02/04/93
DICKEY (R-AR)	As Introduced 02/04/93
DOOLEY (D-CA)	As Introduced 02/04/93
DOOLITTLE (R-CA)	As Introduced 02/04/93
DORNAN, ROBERT (R-CA)	As Introduced 02/04/93
DREIER, DAVID (R-CA)	As Introduced 02/04/93
DUNCAN, JR. (R-TN)	As Introduced 02/04/93
DUNN (R-WA)	As Introduced 02/04/93
EDWARDS, CHET (D-TX)	As Introduced 02/04/93
EMERSON (R-MO)	As Introduced 02/04/93
ENGLISH (D-OK)	As Introduced 02/04/93
EVERETT (R-AL)	As Introduced 02/04/93
EWING (R-IL)	As Introduced 02/04/93
FAWELL (R-IL)	As Introduced 02/04/93
FIELDS, JACK (R-TX)	As Introduced 02/04/93
FISH (R-NY)	As Introduced 02/04/93
FOWLER (R-FL)	As Introduced 02/04/93
FRANKS (R-NJ)	As Introduced 02/04/93
FRANKS, GARY (R-CT)	As Introduced 02/04/93
FROST (D-TX)	Added 10/06/93
GALLEGLY (R-CA)	As Introduced 02/04/93
GALLO (R-NJ)	As Introduced 02/04/93
GEKAS (R-PA)	As Introduced 02/04/93

GEREN (D-TX)	As Introduced	02/04/93
GIBBONS (D-FL)	As Introduced	02/04/93
GILCHREST (R-MD)	As Introduced	02/04/93
GILLMOR (R-OH)	As Introduced	02/04/93
GINGRICH (R-GA)	As Introduced	02/04/93
GLICKMAN (D-KS)	As Introduced	02/04/93
GOODLATTE (R-VA)	As Introduced	02/04/93
GOODLING (R-PA)	As Introduced	02/04/93
GORDON (D-TN)	As Introduced	02/04/93
GOSS (R-FL)	As Introduced	02/04/93
GRAMS (R-MN)	As Introduced	02/04/93
GRANDY (R-IA)	As Introduced	02/04/93
GREENWOOD (R-PA)	As Introduced	02/04/93
GUNDERSON (R-WI)	As Introduced	02/04/93
HALL, RALPH (D-TX)	As Introduced	02/04/93
HANCOCK (R-MO)	As Introduced	02/04/93
HANSEN (R-UT)	As Introduced	02/04/93
HASTERT (R-IL)	As Introduced	02/04/93
HAYES, JAMES A. (D-LA)	As Introduced	02/04/93
HEFLEY (R-CO)	As Introduced	02/04/93
HEFNER (D-NC)	As Introduced	02/04/93
HENRY (R-MI)	As Introduced	02/04/93
HERGER (R-CA)	As Introduced	02/04/93
HOBSON (R-OH)	As Introduced	02/04/93
HOEKSTRA (R-MI)	As Introduced	02/04/93
HOKE (R-OH)	As Introduced	02/04/93
HOLDEN (D-PA)	Withdrawn	03/11/93
HOLDEN (D-PA)	As Introduced	02/04/93
HORN (R-CA)	As Introduced	02/04/93
HOUGHTON (R-NY)	As Introduced	02/04/93
HOYER (D-MD)	Added	10/06/93
HUFFINGTON (R-CA)	As Introduced	02/04/93
HUNTER (R-CA)	As Introduced	02/04/93
HUTCHINSON (R-AR)	As Introduced	02/04/93
HUTTO (D-FL)	As Introduced	02/04/93
HYDE (R-IL)	As Introduced	02/04/93
INGLIS (R-SC)	As Introduced	02/04/93
INHOFE (R-OK)	As Introduced	02/04/93
ISTOOK (R-OK)	As Introduced	02/04/93
JACOBS (D-IN)	As Introduced	02/04/93
JOHNSON, DON (D-GA)	As Introduced	02/04/93
JOHNSON, NANCY (R-CT)	As Introduced	02/04/93
JOHNSON, SAM (R-TX)	As Introduced	02/04/93
JOHNSON, TIMOTHY P. (D-SD)	As Introduced	02/04/93
JOHNSTON, HARRY (D-FL)	As Introduced	02/04/93
KAPTUR (D-OH)	Added	10/06/93
KASICH (R-OH)	As Introduced	02/04/93
KENNEDY, JOSEPH (D-MA)	As Introduced	02/04/93
KIM (R-CA)	As Introduced	02/04/93
KING (R-NY)	As Introduced	02/04/93
KINGSTON (R-GA)	As Introduced	02/04/93
KLUG (R-WI)	As Introduced	02/04/93

KNOLLENBERG (R-MI)	As Introduced	02/04/93
KOLBE (R-AZ)	As Introduced	02/04/93
KYL (R-AZ)	As Introduced	02/04/93
LAMBERT (D-AR)	Added	10/06/93
LANCASTER (D-NC)	As Introduced	02/04/93
LANTOS (D-CA)	Added	10/06/93
LAROCCO (D-ID)	Added	10/06/93
LAUGHLIN (D-TX)	As Introduced	02/04/93
LAZIO (R-NY)	As Introduced	02/04/93
LEACH, JAMES (R-IA)	As Introduced	02/04/93
LEVY (R-NY)	As Introduced	02/04/93
LEWIS, JERRY (R-CA)	As Introduced	02/04/93
LEWIS, TOM (R-FL)	As Introduced	02/04/93
LIGHTFOOT (R-IA)	As Introduced	02/04/93
LINDER (R-GA)	As Introduced	02/04/93
LIPINSKI (D-IL)	Added	10/06/93
LIVINGSTON (R-LA)	As Introduced	02/04/93
LLOYD (D-TN)	As Introduced	02/04/93
LONG (D-IN)	Added	03/18/93
MACHTLEY (R-RI)	As Introduced	02/04/93
MANN (D-OH)	As Introduced	02/04/93
MANZULLO (R-IL)	As Introduced	02/04/93
MAZZOLI (D-KY)	As Introduced	02/04/93
MCCANDLESS (R-CA)	As Introduced	02/04/93
MCCLOSKEY (D-IN)	Added	11/03/93
MCCOLLUM (R-FL)	As Introduced	02/04/93
MCCRERY (R-LA)	As Introduced	02/04/93
MCCURDY (D-OK)	As Introduced	02/04/93
MCDADE (R-PA)	As Introduced	02/04/93
MCHUGH, JOHN (R-NY)	As Introduced	02/04/93
MCINNIS (R-CO)	As Introduced	02/04/93
MCKEON (R-CA)	As Introduced	02/04/93
MCMILLAN, ALEX (R-NC)	As Introduced	02/04/93
MEEHAN (D-MA)	As Introduced	02/04/93
MEYERS (R-KS)	As Introduced	02/04/93
MICA (R-FL)	As Introduced	02/04/93
MICHEL (R-IL)	As Introduced	02/04/93
MILLER (R-FL)	As Introduced	02/04/93
MINGE (D-MN)	As Introduced	02/04/93
MOLINARI, SUSAN (R-NY)	As Introduced	02/04/93
MONTGOMERY (D-MS)	As Introduced	02/04/93
MOORHEAD (R-CA)	As Introduced	02/04/93
MORAN (D-VA)	As Introduced	02/04/93
MURPHY (D-PA)	As Introduced	02/04/93
MYERS (R-IN)	As Introduced	02/04/93
NEAL, STEPHEN (D-NC)	As Introduced	02/04/93
NUSSLE (R-IA)	As Introduced	02/04/93
ORTIZ (D-TX)	As Introduced	02/04/93
OXLEY (R-OH)	As Introduced	02/04/93
PACKARD (R-CA)	As Introduced	02/04/93
PALLONE (D-NJ)	As Introduced	02/04/93
PARKER (D-MS)	As Introduced	02/04/93

PAXON (R-NY)	As Introduced 02/04/93
PENNY (D-MN)	As Introduced 02/04/93
PETERSON, COLLIN (D-MN)	As Introduced 02/04/93
PETERSON, PETE (D-FL)	As Introduced 02/04/93
PETRI (R-WI)	As Introduced 02/04/93
PICKLE (D-TX)	As Introduced 02/04/93
POMBO (R-CA)	As Introduced 02/04/93
PORTER (R-IL)	As Introduced 02/04/93
PORTMAN (R-OH)	Added 07/15/93
POSHARD (D-IL)	As Introduced 02/04/93
PRYCE (R-OH)	As Introduced 02/04/93
QUILLEN (R-TN)	As Introduced 02/04/93
QUINN (R-NY)	As Introduced 02/04/93
RAMSTAD (R-MN)	As Introduced 02/04/93
RAVENEL (R-SC)	As Introduced 02/04/93
REGULA (R-OH)	As Introduced 02/04/93
RIDGE (R-PA)	As Introduced 02/04/93
ROBERTS, PAT (R-KS)	As Introduced 02/04/93
ROEMER (D-IN)	As Introduced 02/04/93
ROGERS (R-KY)	As Introduced 02/04/93
ROHRABACHER (R-CA)	As Introduced 02/04/93
ROS-LEHTINEN (R-FL)	As Introduced 02/04/93
ROTH, TOBY (R-WI)	As Introduced 02/04/93
ROWLAND, ROY (D-GA)	As Introduced 02/04/93
ROYCE (R-CA)	As Introduced 02/04/93
SANGMEISTER (D-IL)	As Introduced 02/04/93
SANTORUM (R-PA)	As Introduced 02/04/93
SARPALIUS (D-TX)	As Introduced 02/04/93
SAXTON (R-NJ)	As Introduced 02/04/93
SCHAEFER (R-CO)	As Introduced 02/04/93
SCHENK (D-CA)	Added 11/03/93
SCHIFF (R-NM)	As Introduced 02/04/93
SENSENBRENNER (R-WI)	As Introduced 02/04/93
SHARP (D-IN)	Added 10/06/93
SHAW (R-FL)	As Introduced 02/04/93
SHEPHERD (D-UT)	Added 03/18/93
SHUSTER (R-PA)	As Introduced 02/04/93
SISISKY (D-VA)	As Introduced 02/04/93
SKEEN (R-NM)	As Introduced 02/04/93
SKELTON (D-MO)	As Introduced 02/04/93
SMITH, CHRISTOPHER (R-NJ)	As Introduced 02/04/93
SMITH, LAMAR (R-TX)	As Introduced 02/04/93
SMITH, NICK (R-MI)	As Introduced 02/04/93
SNOWE (R-ME)	As Introduced 02/04/93
SOLOMON (R-NY)	As Introduced 02/04/93
SPENCE (R-SC)	As Introduced 02/04/93
SPRATT (D-SC)	As Introduced 02/04/93
STEARNS (R-FL)	As Introduced 02/04/93
STUMP (R-AZ)	As Introduced 02/04/93
SUNDQUIST (R-TN)	As Introduced 02/04/93
SWETT (D-NH)	As Introduced 02/04/93
TALENT (R-MO)	As Introduced 02/04/93

TANNER (D-TN)	As Introduced 02/04/93
TAUZIN (D-LA)	As Introduced 02/04/93
TAYLOR, CHARLES (R-NC)	As Introduced 02/04/93
TAYLOR, GENE (D-MS)	As Introduced 02/04/93
THOMAS, CRAIG (R-WY)	As Introduced 02/04/93
THOMAS, WILLIAM (R-CA)	As Introduced 02/04/93
TORKILDSEN (R-MA)	As Introduced 02/04/93
TORRICELLI (D-NJ)	As Introduced 02/04/93
TRAFICANT (D-OH)	Added 10/06/93
UPTON (R-MI)	As Introduced 02/04/93
VALENTINE (D-NC)	As Introduced 02/04/93
VUCANOVICH (R-NV)	As Introduced 02/04/93
WALKER (R-PA)	As Introduced 02/04/93
WALSH (R-NY)	As Introduced 02/04/93
WELDON (R-PA)	As Introduced 02/04/93
WILSON, CHARLES (D-TX)	As Introduced 02/04/93
WOLF (R-VA)	As Introduced 02/04/93
YOUNG, BILL (R-FL)	As Introduced 02/04/93
YOUNG, DON (R-AK)	As Introduced 02/04/93
ZELIFF (R-NH)	As Introduced 02/04/93
ZIMMER (R-NJ)	As Introduced 02/04/93

OMB WATCH

1731 CONNECTICUT AVENUE, NORTHWEST
WASHINGTON, D.C. 20009-1146
TELEPHONE: (202) 234-8494
FAX: (202) 234-8584

To: Melanne Verveer

From: Gary Bass

Date: 12/15/93

Time Sent: 4:25pm

FAX Number: 456-6244

Number of Pages Attached: 21

OMB WATCH
1731 CONNECTICUT AVENUE, NORTHWEST
WASHINGTON, D.C. 20009-1146
TELEPHONE: (202) 234-8494
FAX: (202) 234-8584

MEMORANDUM

TO: Melanne Verveer

FROM: Gary Bass

DATE: December 15, 1993

RE: Balanced Budget Amendment

Chuck Loveless suggested that we send you the materials that were given to community groups opposing the proposed amendment. So far, the balanced budget coalition has held briefings (reminiscent of the *Rust* road shows) for grassroots organizations in Connecticut, Kentucky, Maine, Ohio and Pennsylvania and are looking to schedule others possibly in Arkansas and Rhode Island.

If you want any further information on the coalition, please give me a call here at OMB Watch.

X

103D CONGRESS
1ST SESSION

S. J. RES. 41

Proposing an amendment to the Constitution of the United States to require a balanced budget.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 4 (legislative day, JANUARY 5), 1993

Mr. SIMON (for himself, Mr. HATCH, Mr. DECONCINI, Mr. THURMOND, Mr. HEFLIN, Mr. CRAIG, Mr. KOHL, Mr. GRASSLEY, Ms. MOSELEY-BRAUN, Mr. BROWN, Mr. DASCHLE, Mr. COHEN, Mr. BRYAN, Mr. PRESSLER, Mr. SHELBY, Mr. BENNETT, Mr. GRAHAM, Mr. SMITH, Mr. KRUEGER, Mr. KEMPTHORNE, Mr. MATHEWS, Mr. NICKLES, Mr. CAMPBELL, and Mr. LUGAR) introduced the following joint resolution; which was read twice and referred to the Committee on the Judiciary

---

JOINT RESOLUTION

Proposing an amendment to the Constitution of the United States to require a balanced budget.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1999 or with the second fiscal year beginning after its ratification, whichever is later.".

O

CENTER ON BUDGET AND POLICY PRIORITIES

THE BALANCED BUDGET CONSTITUTIONAL AMENDMENT

This fall the Senate and House are likely to consider a proposed constitutional amendment to require a balanced federal budget each year. Rep. Stenholm and Senator Simon have introduced identical balanced budget measures in the House and Senate this year. The constitutional amendment will come first to the Senate floor, where it may be taken up as early as October. If it passes the Senate by the two-thirds majority required for a constitutional amendment, House floor action will swiftly follow.

The constitutional amendment could well pass both houses of Congress this year. The amendment then becomes part of the Constitution if ratified by three-quarters of the states. As more than 25 states have passed resolutions calling for such a constitutional amendment, the likelihood for state ratification is high.

There is growing political support for the proposed amendment, and passage — with the required two-thirds majorities in both the House and the Senate — is likely unless strong opposition mobilizes quickly across the country. *This amendment poses a very serious threat to the funding of domestic programs.* If the amendment becomes part of the Constitution, it will have profound effects for many years.

Analysis of the Amendment

While the new budget reconciliation law makes progress in reducing the long-term deficit, further action will ultimately be needed. The proposed constitutional amendment, however, is not a sound mechanism for achieving this goal.

The constitutional amendment to balance the budget is likely to damage the economy more than strengthen it. The amendment requires a balanced budget every year, regardless of whether economic growth is strong or weak. As a consequence, more deficit reduction would be required in periods of slow growth than in times of rapid growth. This is precisely the opposite of what should be done to stabilize the economy and avert recessions. The amendment thus risks making recessions more frequent and deeper.

The amendment would require the budget to be balanced by FY 1999 — a year for which the Congressional Budget Office now projects a deficit of $223 billion — or within two years after the amendment is ratified, whichever is later. Bringing the deficit to zero by 1999 would entail substantial further retrenchment on top of that required under the just-enacted budget law. The combined effect could slow growth substantially and possibly trigger a recession, costing many jobs.

The constitutional amendment would limit public investments which are critical to long-term economic growth. Because the amendment fails to distinguish public investments needed for long-term growth from other areas of government spending — and because it requires such massive deficit reduction in so short a period — it would likely cause cutbacks in some of the very programs that represent sound investments needed to help the economy grow. These investments include education and training, infrastructure, civilian research and development and early intervention programs for children.

777 North Capitol Street, NE, Suite 705, Washington, DC 20002 Tel: 202-408-1080 Fax: 202-408-1056

The constitutional amendment would largely deny the federal government a basic practice that most businesses, families, and state and local governments use — borrowing to finance investments with long-term pay-offs. Businesses borrow to invest in plant and equipment; families borrow to finance higher education and to buy a home; and state and local governments borrow to finance roads, schools and other essential facilities. In each case, borrowing is justified because the investment yields long-term benefits. Only the federal government would be denied the ability to borrow unless three-fifths of the Congress agreed to do so on a fairly regular basis. The likely result would be less investment.

The amendment would make it harder to raise taxes than to cut spending. The proposed amendment does not treat revenue increases and program cuts comparably. Instead, it would skew government decision-making and alter Congressional voting procedures in place for more than 200 years by making it harder to raise revenues than to cut programs.

Both the Senate and House versions require that any bill to raise revenues be approved on a roll call vote by a majority of the *full membership* of each house, rather than a majority of those *present and voting*. Program cuts, by contrast, could continue to be passed by a majority of those present and voting — and could continue to be passed on "voice votes." (Members votes are not recorded on voice votes.)

Deficit reduction would likely fall disproportionately on low-income Americans. Given the substantial amount of additional deficit reduction balancing the budget would entail, most programs not protected by powerful constituencies would be cut. The weakest constituencies would likely lose most heavily. Low-income Americans and minorities would probably shoulder a disproportionate share of the deficit reduction burdens.

In addition, since wealthy individuals and large corporations receive most of their government subsidies through tax expenditures, while low- and middle-income families receive most of their government benefits through programs, constitutional procedures making it harder to close tax breaks than cut programs could mean the burdens of deficit reduction would fall disproportionately on those in the bottom half of the income scale.

Don't states have to balance their budgets? The simple analogy with state budgets turns out to be misleading. Most states have to balance their *operating* budgets, with capital expenditures being exempt from the balanced budget requirements and with borrowing to finance capital costs being a standard practice. By contrast, the constitutional amendment requires the federal government to balance the *total* budget, including capital costs.

Moreover, individual states do not have responsibility for national economic policy. The impact on the U.S. economy of state actions to balance budgets during periods of slow growth or recession is small compared to the adverse impact such action would have if taken at the federal level.

* * * * *

The deficit reduction package enacted in August 1993 makes important progress in reducing the deficit. But, further action will also be needed. The most important next step is tough national health care reform that substantially reduces the long-term growth rate in health care costs. That step, plus one more large budget agreement several years from now, should get the long term deficit under control. This is the course of action needed. A balanced budget constitutional amendment that risks making recessions deeper and more frequent, leads to reductions in needed investments, and makes it harder to raise revenues is not.

September 15, 1993

OMB WATCH
1731 CONNECTICUT AVENUE, NORTHWEST
WASHINGTON, D.C. 20009-1146
TELEPHONE: (202) 234-8494
FAX: (202) 234-8584

COMMON QUESTIONS ABOUT THE BALANCED BUDGET AMENDMENT

Friend and foe alike have raised important questions about the constitutional balanced budget amendment pending before Congress and likely to be voted upon in the Senate in early November. Here's a brief Q & A addressing these concerns about opposing the amendment.

Q. "Won't the constitutional balanced budget amendment help our economy?"

A. Quite the opposite. The balanced budget amendment would harm the economy. We support reasonable measures to reduce the deficit like the $500 billion deficit reduction package passed this summer. However, we must avoid draconian methods like a balanced budget amendment that would force the federal government to make huge spending cuts quickly which would:

- Significantly hurt programs serving the hungry, homeless, the elderly, children and other vulnerable populations.
- Severely restrict environmental health and safety, and erode consumer protections.
- Hamper the ability of the federal government to respond to national crises and natural disasters like flooding in the Midwest or Hurricane Andrew.
- Impair job growth and send different regions of the country into an economic tailspin. Balancing the budget in a short period of time can be a significant drag which would likely slow down growth even when the economy is strong. During recessions or slow recoveries -- like we are experiencing now -- a balanced budget could be devastating.
- Allow Congress to once again sidestep their responsibilities to make hard decisions.

Q. "If I can balance my checkbook, then why can't the federal government?"

A. Most Americans *don't* balance their checkbooks. Credit is one of the most important parts of our everyday lives. Without the ability to borrow money, most people would be unable to purchase a house, go to college or even eat out. Debt financing is what allows us to make vital purchases now with money that we expect to earn over time. For example:

- Mortgages give families and individuals the opportunity to buy a home over a period of time as long as thirty years.
- College loans allow middle-class and low-income students who cannot pay their entire college tuition up front to finance their education through future earnings.
- Credit cards permit people to purchase items ranging from food to furniture and pay over time.

In the same way, the federal government borrows now to invest in programs that pay off in long-term benefits. Without government spending now on education, childhood immunizations, Medicare and Medicaid, environmental protection and worker safety programs, we pay more in the long-run through increased medical costs and building more prisons.

Q. "If states can balance their budgets, why can't the federal government?"

A. Most states *don't* balance their budgets.

- States are only responsible for balancing their *operating* budgets. A number of states are able to borrow money for vital programs like road maintenance, construction, improving our cities and even funding for education through separate budgets created for capital items.

- States also get around balanced budget requirements by creating entities to issue bonds to finance projects. These types of budget tricks put spending "off-budget" to avoid violating the letter of the law. However, the effect is the same -- an unbalanced budget.

- Furthermore, states are not responsible for handling the largest economy in the world. The federal budget can have a significant impact on the performance of the national economy, balancing the needs of states and regions in different economic situations.

- In fact, a balanced budget amendment would make matters considerably worse for the states. In order to eliminate the deficit, the federal government would either have to raise revenue or cut costs. The proposed amendment makes it easier for the government to cut spending than to raise taxes, putting additional pressure on state budgets which rely heavily on federal funds.

Q. "How would a balanced budget amendment work?"

A. Each year, Congress and the President must ensure that federal "outlays" do not exceed federal "receipts." This means that any time during the fiscal year, if it appears that the federal government is going to run a deficit, action must be taken to balance the federal budget. (The only exception would be during times of war.) However, this amendment does not tell Congress how to balance the budget, except to make it easier to cut spending than to raise taxes without protecting necessary social programs.

Q. "What would it take to pass the constitutional balanced budget amendment?"

A. In order to pass the balanced budget amendment:

- Two-thirds of the U.S. Senate and the House of Representatives must propose the amendment. That means 67 Senators and 290 Representatives must vote in favor, and.

- Three-quarters of the states legislatures (38 of 50) must also vote in favor of the amendment after it passes through Congress.

- Unlike normal legislation, these votes cannot be vetoed by either the President or the Governors of any of the states voting for the amendment. Once the states have ratified the amendment, it cannot be changed or overturned unless another constitutional amendment is passed.

Q. "What is the current status of the balanced budget amendment?"

A. Right now, we will need to fight hard to defeat the amendment.

- The Senate is considering a resolution sponsored by Sen. Paul Simon (D-IL). There are currently 62 supporters in the Senate. This leaves supporters only 5 votes short of reaching the necessary 67.

- If the measure passes the Senate, it will be voted on shortly after that in the House. Rep. Charles Stenholm (D-TX) introduced a resolution with the same wording as Simon's resolution. There are currently 243 additional co-sponsors, putting the resolution only 46 votes short of the necessary 290.

- If the measure passes through Congress, the states will have seven years to consider the amendment. 32 states have passed resolutions in the past calling for a constitutional balanced budget amendment (although 4 states have rescinded those votes). However, all state legislatures must vote again on this specific amendment. Still, that number is only 6 short of the necessary 38 needed for ratification.

TAKE ACTION NOW!
OPPOSE THE BALANCED BUDGET AMENDMENT!

Prepared with assistance from AFSCME and National Association of School Psychologists.

October 21, 1993

OPPOSE THE BALANCED BUDGET AMENDMENT

October 25, 1993

Dear Senator:

We the undersigned organizations, strongly urge you to oppose a balanced budget amendment to the United States Constitution.

The proposed constitutional amendment is not the answer to the nation's economic problems. By enacting a deficit reduction package of nearly $500 billion earlier this year, Congress has shown it can address the deficit in a responsible fashion without a constitutional constraint.

The most important next step in controlling the deficit is tough national health care reform that substantially reduces the long-term growth rate in health care costs. Congress will soon consider President Clinton's health care reform plan.

The proposed balanced budget amendment is likely to damage the economy more than strengthen it. The amendment would require larger spending cuts or tax increases in years of slow growth than in years of rapid growth, precisely the opposite of what is needed to stabilize the economy and avert recessions. The amendment thus risks making economic recessions more frequent and deeper.

A constitutional amendment would also be likely to limit public investments which are critical to long-term economic growth because the amendment fails to distinguish public investments needed for growth from other areas of government spending. The amendment would largely deny the federal government a basic practice that most businesses, families, and state and local governments use -- borrowing to finance investments with long-term payoffs.

This amendment has no place in the Constitution of the United States. It would inappropriately draw the judicial branch of government into the determination of fiscal and economic policy. The amendment also undermines the important constitutional principle of majority rule by establishing a three-fifths vote to allow a budget to go unbalanced.

We strongly urge you to oppose the constitutional balanced budget amendment.

Sincerely,

AFSCME
Amalgamated Clothing and Textile Workers Union
Amalgamated Transit Union
American Association of Retired Persons
American Association of University Affiliated Programs
American Association of University Professors

American Federation of Government Employees
American Federation of Teachers
Americans for Democratic Action
American Friends Service Committee
American Jewish Committee
American Jewish Congress
American Postal Workers Union
American Public Health Association
Americans for Democratic Action
Bread for the World
Center for Community Change
Center for Law and Social Policy
Center on Budget and Policy Priorities
Child Welfare League of America
Children's Defense Fund
Coalition on Human Needs
Commission on Social Action of Reform Judaism
Committee for Education Funding
Common Cause
Council for Educational Development and Research
Council of Chief State School Officers
Council of Large Public Housing Authorities
Council of the Great City Schools
Economic Policy Institute
Families U.S.A.
Family Service America, Inc.
Food and Allied Service Trades Department, AFL-CIO
Food Research and Action Center
Friends of the Earth
Industrial Union Department, AFL-CIO
Interfaith: Impact for Justice and Peace
International Association of Fire Fighters
International Association of Machinists
International Brotherhood of Electrical Workers
International Ladies Garment Workers Union
International Union of Electronic, Electrical, Salaried, Machine, and Furniture Workers, AFL-CIO
Jesuit Social Ministries, National Office
Jewish Federation of Metropolitan Chicago
Lutheran Office for Governmental Affairs, ELCA
National Alliance to End Homelessness
National Association of Community Action Agencies
National Association of Elementary School Principals
National Association of Homes and Services for Children
National Association of Letter Carriers
National Association of School Psychologists
National Association of Secondary School Principals
National Association of Social Workers
National Community Action Association
National Community Action Foundation
National Consumers League
National Coalition for the Homeless
National Council of Churches
National Council of Jewish Women
National Education Association
National Farmers Union
National PTA
National Rural Letter Carriers

National Rural Housing Coalition
National Treasury Employees Union
National Urban League
National Women's Law Center
NETWORK: A National Catholic Social Justice Lobby
OMB Watch
Parent Action
Peace Action
Physicians for Social Responsibility
Public Employee Department, AFL-CIO
Service Employees International Union
The ARC (formerly the Association for Retarded Citizens)
Transportation Communications Union
Transportation Trades Department, AFL-CIO
Unitarian Universalist Service Committee
United Auto Workers
United Brotherhood of Carpenters and Joiners of America
United Church of Christ Office for Church in Society
United Methodist Church, General Board of Church and Society
United Mine Workers
United Steelworkers of America
Women's Action for New Directions
Women Strike for Peace

THE WHITE HOUSE
WASHINGTON

November 5, 1993

Dear Mr. Leader:

I write to express my firm opposition to the proposed balanced budget amendment to the Constitution of the United States (S.J. Res. 41 and H.J. Res. 103). While I am deeply committed to bringing down our Nation's deficit, this proposed balanced budget amendment would not serve that end. It would promote political gridlock and would endanger our economic recovery.

The Administration fought hard to pass a historic deficit reduction plan because we believe that deficit reduction is an essential component of a national economic growth strategy. As you know, I worked tirelessly with the Congress to gain passage of the largest deficit reduction package in the Nation's history. This legislation includes a "hard freeze" on all discretionary spending, a virtually unprecedented constraint on Federal spending. Through the National Performance Review, a new rescission package, and a major proposal to limit the growth of Medicare and Medicaid through comprehensive health care reform, we are taking continuing steps to keep the deficit on a downward path. I have also long supported such procedural innovations as enhanced rescission authority or a line-item veto and would consider workable budget proposals that distinguish between consumption and investment. The Bipartisan Commission on Entitlement Reform will come forward with suggestions on controlling entitlement costs and other serious budget reforms. Thoughtful, specific reforms are better policy than a rigid Constitutional amendment.

The balanced budget amendment is, in the first place, bad economics. As you know, the Federal deficit depends not just on Congressional decisions, but also on the state of the economy. In particular, the deficit increases automatically whenever the economy weakens. If we try to break this automatic linkage by a Constitutional amendment, we will have to raise taxes and cut expenditures whenever the economy is weak. That not only risks turning minor downturns into serious recessions, but would make recovery from recession far more difficult. Let's be clear: This is not a matter of abstract economic theory. Contractionary fiscal policy in the 1930s helped turn an economic slowdown into a Great Depression. A balanced budget amendment could threaten the livelihoods of millions of Americans. I cannot put them in such peril.

Moreover, at presently anticipated growth rates, the deficit reduction required by this amendment could be harmful to average hard-working American families. Supporters of this amendment must be straight with the American people. Given the current outlook for the FY 1999 budget, the amendment would require some combination of the following: huge increases in taxes on working families; massive reductions in Social Security benefits for middle class Americans; and major cuts in Medicare and Medicaid that would make it impossible to pass meaningful health reform legislation. This latter result would be particularly ironic and counterproductive because comprehensive health reform is our best hope not only for providing health security for all Americans, but also for bringing down the long-term structural deficit. The fact that these consequences will not be clear to most Americans for a few years does not relieve us of the responsibility of facing them today.

We must reject the temptation to use any budget gimmicks to hide from the specific choices that are needed for long-term economic renewal. The amendment by itself would not reduce the deficit by a single penny. The only way we can continue to make progress on bringing down the deficit while investing more in our future is to continue the process of making tough and specific policy choices. If we avoid such straightforward debate now, the likely outcome will be accounting subterfuge and gimmicks when the easy promise of a balanced budget amendment runs up against difficult political realities. A gridlocked Congress would encourage members to look for an easy way out -- for example, by moving more Federal programs off budget or by imposing more unfunded mandates on the States. Ironically, the amendment might encourage less rather than more fiscal responsibility.

The amendment's potential impact on our constitutional system is as troublesome as its effect on the economy. The proposed amendments are so vague and complex that budgets quickly could be thrown into the courts to be written by appointed judges with life tenure, rather than the people's elected officials in the Congress. Surely, we can do better than this.

Finally, I believe that economic and budgetary decisions should distinguish between investment and consumption. Those who manage a family budget know that there is a fundamental difference between spending money on a lavish meal, and paying the mortgage on a home that is an investment in one's future economic security. Under this balanced budget amendment, there is no distinction between cutting a dollar in waste and a dollar in a valuable investment in technology that could make us a richer and more competitive Nation in the future. That is unacceptable to me. We need to find ways to reduce the deficit and increase investment in ways that enhance not undermine the economic security and potential of our people and their communities. We must bring down the budget deficit at the same time we make progress on bringing down the investment deficit through investments in those who helped us win the cold war, through more resources to fight drugs and crime, and by giving all Americans the opportunity for quality education and training throughout their lifetimes.

I remain firmly committed to the goal of deficit reduction. But I am just as firmly opposed to this balanced budget amendment, because it would simply delay honest debate over the hard choices needed for long-term economic growth and could imperil the economic stability of the Nation and our fledgling recovery.

Sincerely,

Bill Clinton

The Honorable George J. Mitchell
Majority Leader
United States Senate
Washington, D.C. 20510

Robert C. Byrd

A Hollow and Dangerous Promise

Wishful thinking won't balance the budget.

Talk of a balanced budget constitutional amendment is again in the Washington air, proving that the days of quack medicines and vaudeville magic shows are not yet in the past. This current version, S.J. Res. 41, states that "total outlays for any fiscal year shall not exceed total receipts for that fiscal year."

What about these terms of budgetary art, "outlays" and "receipts"? The amendment states that Congress may rely on estimates of outlays and receipts for purposes of its implementation because total outlays and receipts cannot be known at the beginning of any fiscal year and estimates are all we have. But in reality, actual outlays and receipts often vary from estimates by billions. We cannot actually know what the Treasury has spent—the outlays—until Treasury has issued all of the checks at the end of the fiscal year.

The point is that no matter how hard we may try to project actual outlays and receipts, we will invariably fail. Receipts are often lower than expected, and outlays are often greater, and nothing in the proposed amendment addresses that problem. In fact, whether the budget is in balance cannot be accurately known until after the end of each fiscal year, when it would be too late to correct the shortfall.

Moreover, S.J. Res. 41, if passed by Congress and ratified by the states, would require that the federal budget be balanced annually—whether we have a strong or a weak economy—unless three-fifths of the whole number of both House of Congress waive the requirement. Large spending cuts or tax increases or both would thus be required yearly, whether the economy was booming or busting—exactly what Dr. Kevorkian would order to help a sick economy die a speedy death!

The amendment, therefore, would practically ensure that recessions will be deeper and longer. By mandating a balanced budget by 1999—a year in which a $223 billion deficit is projected by the Congressional Budget Office—severe and sudden budget cuts would most certainly end public investments in roads, airports, waterways, education, civilian research and development, and defense planning—not to mention precipitous cuts in entitlement programs and large tax increases, provided the numerical obstacle course thrown up by this amendment in the case of tax increases can be overcome.

Yes, that's right, the amendment makes balancing the budget a constitutional mandate and then, in that same language to be grafted onto the Constitution, in effect removes one of the tools to accomplish the task! This proposal would actually put the government in the hands of a minority when it comes to a tax increase to balance the budget. Two-fifths plus one member of either body could block a tax increase for the purpose of putting the budget in balance. Thus, the amendment would tend to balance the budget on the backs of the elderly and the working people who would be hurt most by the budget cuts. Do we want to "rig" the Constitution in such a way as to favor one group over another when it comes to getting our budget in balance? I certainly think not. If we are going to put that kind of a "no tax increase fix" in constitutional budget-balancing language, then we ought to do the same for tax reductions.

And what of this oft-repeated argument that 49 states have some type of balanced-budget requirement? The argument is mindlessly simplistic and really not relevant. The states are not required to "raise and support armies," or "provide and maintain a navy," or provide for the "common defense and general welfare of the United States," nor do they carry the burden of conduct of international affairs or fiscal and economic policy for the nation.

Most states use capital budgeting techniques, and their "balanced budget" requirements generally affect only their operating budgets. In fact, the states are in debt. They incur bonded indebtedness, borrow money for highways, schools, prison facilities, unemployment, recreation and health facilities etc; they are also greatly assisted by the federal contribution to their financial well-being. Such federal assistance to states, however, would most certainly be sharply curtailed if we aped their balanced budget requirements at the federal level. The federal budget is a unified one. So, such an amendment would require total balance.

"I do not see how a constitutional amendment will give us politicians any more spine than we now have."

Businesses borrow to finance everything from high-tech equipment to bigger dumpsters. Families borrow to buy a car, educate a child or purchase a home. Borrowing to invest for a better tomorrow is hardly seditious activity. Are we willing to deny the federal government the ability to borrow and invest on behalf of future generations?

In short, this amendment is bad business for our Constitution. Even worse, it is a deception because it amounts to nothing more than a precatory expression of pious hope. In fact, it will not balance the budget. God said, "Let there be light," and there was light. But man is not God, and to say that outlays for any fiscal year "shall not exceed total receipts," does not make it happen, any more than would be the case if a constitutional amendment were added stating that the forest primeval shall be restored by the year 2000. Saying it will not make it happen, even if it is the Constitution that says it. To adopt such an amendment will only give us politicians the next election to pat ourselves on the back and tell the people we have done something. Congress and the president already have the power to work toward a balanced budget. Why don't we just do it now instead of putting off the hard decisions until the amendment is ratified? The reason is that making these very tough decisions is unpopular. Voting to cut entitlements, cut programs, cut defense and raise taxes does not encourage one's constituents to build statues. The bottom line is courage. I do not see how a constitutional amendment will give us politicians any more spine than we now have.

Instead, we will typically put hard decisions off until the last possible moment, when our budget-balancing actions will have to be precipitous, which, of course, is the worst possible thing for our nation's economy. If we succeed in grafting this wart full of wind onto our Constitution and it fails for lack of enforcement, the Constitution would be demeaned and cheapened. We would have a government operating outside the legitimacy of its own Constitution, and that great and revered document would be under a cloud. If the people's faith in the Constitution fails, then what have we left as a nation? If this balanced budget provision is avoided and violated with impunity, which it is likely to be, why not violate the First, Fourth, Fifth or any of the other amendments that are central to our individual freedoms and way of life?

On the other hand, the end result of the adoption and enforcement of this false and unwise amendment would be to pave the way for the ultimate resolution of its impact by the courts. Beneficiaries of programs arbitrarily cut would turn to the courts for recourse. If the courts concluded that the Constitution required that a tax be imposed to bring receipts and outlays in line, the destruction of our precious constitutional checks and balances would have been achieved.

This "great idea" is a dangerous quick fix intended to let the politicians relax and claim that they have solved the nation's worst problem. It is the nirvana of irresponsibility to claim that this amendment will do anything constructive except get a few people reelected—if, in fact, that can be viewed as constructive.

"We must never forget that it is the Constitution we are expounding," said Chief Justice John Marshall, in *McCulloch v. Maryland.* My own modest footnote would be: Let us not forget that it is the Constitution we are amending.

The writer, a Democratic senator from West Virginia, is chairman of the Appropriations Committee.

CONSTITUTIONAL BALANCED BUDGET AMENDMENT
SAMPLE LETTER

The Honorable :
United States Senate
Washington, D.C. 20510

Dear Senator:

I am writing to express my strong opposition to the proposed balanced budget amendment.

The recently-passed deficit reduction package shows that we are already making progress in the fight against rising deficits. We must resist simplistic and draconian measures like the proposed amendment that will only hurt our economy during already difficult times.

As a constituent, I am concerned about the negative effect the balanced budget would have on our state and our nation. There are three main reasons that I think you should vote against the proposed amendment:

It is bad for the economy. A healthy economy should be the ultimate goal of the federal government's fiscal policy. By pursuing a balanced federal budget at all costs, this amendment would do more harm than good.

The proposed amendment will seriously damage a strong economy by removing as much as $225 billion in one year when the amendment takes effect. And if our country is in a recession or in a slow recovery--as we are now--things will be even worse. During an economic downturn, government spending on benefits like AFDC, food stamps and unemployment increases and tax revenues decrease, creating a deficit. <u>Therefore, the federal government has to cut spending or raise taxes during a recession--making a recession last longer or changing it into a depression.</u>

It is bad for children, the disabled and low-income individuals. This proposal contains no protection for programs that effect vulnerable populations. Also, the balanced budget amendment would make it easier to cut spending than to raise taxes. This means that anti-poverty programs would be in the most jeopardy because those affected are the least powerful voting blocs.

It is bad for our community. The balanced budget amendment does not distinguish between different types of spending. Therefore, spending on vital investment programs like Head Start or projects to improve our roads and our neighborhoods would be put in the same category with short-term projects. To make the necessary budget cuts, new programs to meet the changing needs of our community would be out of the question.

Therefore, I strongly urge you to vote against the balanced budget amendment.

Sincerely,

CENTER ON BUDGET AND POLICY PRIORITIES

THE BALANCED BUDGET AMENDMENT AND HEALTH CARE REFORM

Passage of the constitutional balanced budget amendment could spell the death knell for the Administration's health care reform plan and particularly for universal access to health care. To balance the budget by fiscal year 1999, as the proposed constitutional amendment requires, would almost certainly entail achieving much greater deficit reduction from savings in health care entitlements than the Administration's health care plan — or any of the other health care plans that have been proposed — would achieve. As a result, Medicare and Medicaid savings would have to be used to reduce the deficit rather than to finance health care reform.

Accordingly, passage of the constitutional amendment would likely result either in the health care plan being altered radically in coming months and turned into a tepid reform that fails to achieve universal access to care or, if a comprehensive reform plan does pass, in its being changed substantially at a later date — probably shortly after the 1996 elections — before universal access has taken effect.

Balancing the Budget by 1999

The constitutional balanced budget requirement would necessitate the enactment of very large deficit reduction measures between now and fiscal year 1999. The Congressional Budget Office forecasts that the deficit will be $223 billion in fiscal year 1999 and that deficits will total $1.4 trillion over the five years from fiscal year 1999 through fiscal year 2003. Under the Clinton health care plan, the deficit would still be about $200 billion in fiscal year 1999. Deficit reduction on an unprecedented scale would be required.

Yet there are few politically viable options available that yield sufficiently large savings to eliminate the deficit by 1999. With passage of the new reconciliation law, taxes on the wealthy have been restored to pre-Reagan levels. Further large tax increases on this group may not be politically feasible. In addition, it is always difficult to impose a major tax increase on the middle class, and it is likely to prove even harder if a middle-class tax increase is not packaged with a larger tax increase on those at high income levels. Big Social Security savings continue to be improbable.

Where would Congress turn? A likely answer is federal health care entitlement programs. These programs, principally Medicare and Medicaid, are widely viewed as one of the key reasons — if not the key reason — that deficits remain at their current levels.

777 North Capitol Street, NE, Suite 705, Washington, DC 20002 Tel: 202-408-1080 Fax: 202-408-1056
Robert Greenstein, Executive Director

Legislation to Implement the Constitutional Amendment

If the constitutional amendment passes, Congress is likely to move quickly to pass "implementing legislation." The framers of the constitutional amendment specifically envision such legislation, and it would be necessitated by the amendment. To avoid a "cliff" right before fiscal year 1999 — and the need for precipitous deficit reduction action at that time — the implementing legislation would likely require large-scale deficit reduction every year between now and 1999. The implementing legislation would probably establish either a fixed amount by which the deficit must be reduced each year until 1999 or a fixed deficit target that must be reached each year, with automatic across-the-board cuts triggered if these fixed amounts or targets would otherwise not be attained.

It is very hard to see how these deficit reduction targets could be reached without large reductions being made in Medicare and Medicaid and devoted to deficit reduction. If such cuts are devoted to deficit reduction, however, they will not be available to finance health care reform.

Medicare and Medicaid Reductions

The Administration's health care plan assumes $238 billion in Medicare and Medicaid savings from fiscal year 1996 to fiscal year 2000. Other plans such as Senator Chafee's also rely on large Medicare and Medicaid savings. But if those savings are unavailable because they are used to help balance the budget by 1999, the health care reform plans will largely collapse unless a broad-based middle-class tax increase is used to finance health care reform instead. In the current political atmosphere, the chances for passage of a broad-based tax increase appear slim. As a result, this once-in-several-decades opportunity to enact comprehensive health care reform legislation is likely to evaporate if the balanced budget amendment succeeds.

The problem appears even greater when the specifics of the Administration's health care plan are considered. Under it, the government would start spending tens of billions of dollars a year in small business subsidies and low-income premium subsidies — as well as prescription drug benefits and coverage for retirees below age 65 — at the very time the government would have to come up with massive cuts to achieve budget balance by 1999. These health care subsidies would be an obvious target for deficit-cutters. It is hard to imagine them taking effect in such circumstances.

In short, health care reform is likely to be scaled back sharply and to emerge as a pale shadow of itself — with universal access largely eliminated, limited to catastrophic coverage, or delayed until well into the next century — if the balanced budget amendment is approved.

The Unraveling of Health Care Reform

Universal access to care does not stand by itself; it is an integral part of the Administration's overall health care plan and of most other health care plans. Without universal access, costs for uncompensated care will remain high, undermining the viability of the Administration's proposed health care alliances, especially if the alliances are required to live within the premium caps the Administration has proposed. High uncompensated care costs also threaten the cost containment measures under alternative health care plans.

A decision to water down substantially the universal access provision would likely lead to an unraveling of the health care plan. The cost controls included in the plan would not function properly without universal coverage; without universal coverage, there would be large costs for uncompensated care that would have to be shifted to other health care payers. That would push health care premiums much higher than the Administration's plan envisions. In short, universal coverage is a key part of the underpinning of the across-the-board cost containment mechanisms in the Administration's plan.

In addition, if Medicare and Medicaid were cut substantially as part of a large deficit reduction effort, a significant part of the health care costs the federal government previously paid through these programs — but would no longer cover — also would be shifted to other health care payers. That would push private health care premiums still higher and make health insurance less affordable for employers, rather than more so. The problems with the present health care system could be aggravated rather than eased.

Health care reform legislation probably would not be abandoned entirely. But the health care reform plan would turn into something very different, with employer mandates and low-income and small business subsidies likely to disappear or be sharply pared back and premiums allowed to rise at a more rapid rate than is now envisioned. The legislation likely would provide neither universal access to care nor the major restructuring of the health care system the nation so badly needs.

Wouldn't passage of a balanced budget amendment mean that implementation of an ambitious health care reform plan that included universal access simply was pushed back a few years? Probably not. The Congressional Budget Office forecasts that the deficit will grow in the years after fiscal year 1999. In years after 1999, it will become even harder to institute universal access to care if the government is operating under a balanced budget requirement. An initial decision to alter the health care plan and largely defer efforts to achieve universal access between now and 1999 — the first year in which the amendment would require the budget to be balanced — would stand a strong chance of turning into an ultimate abandonment of the universal access goal.

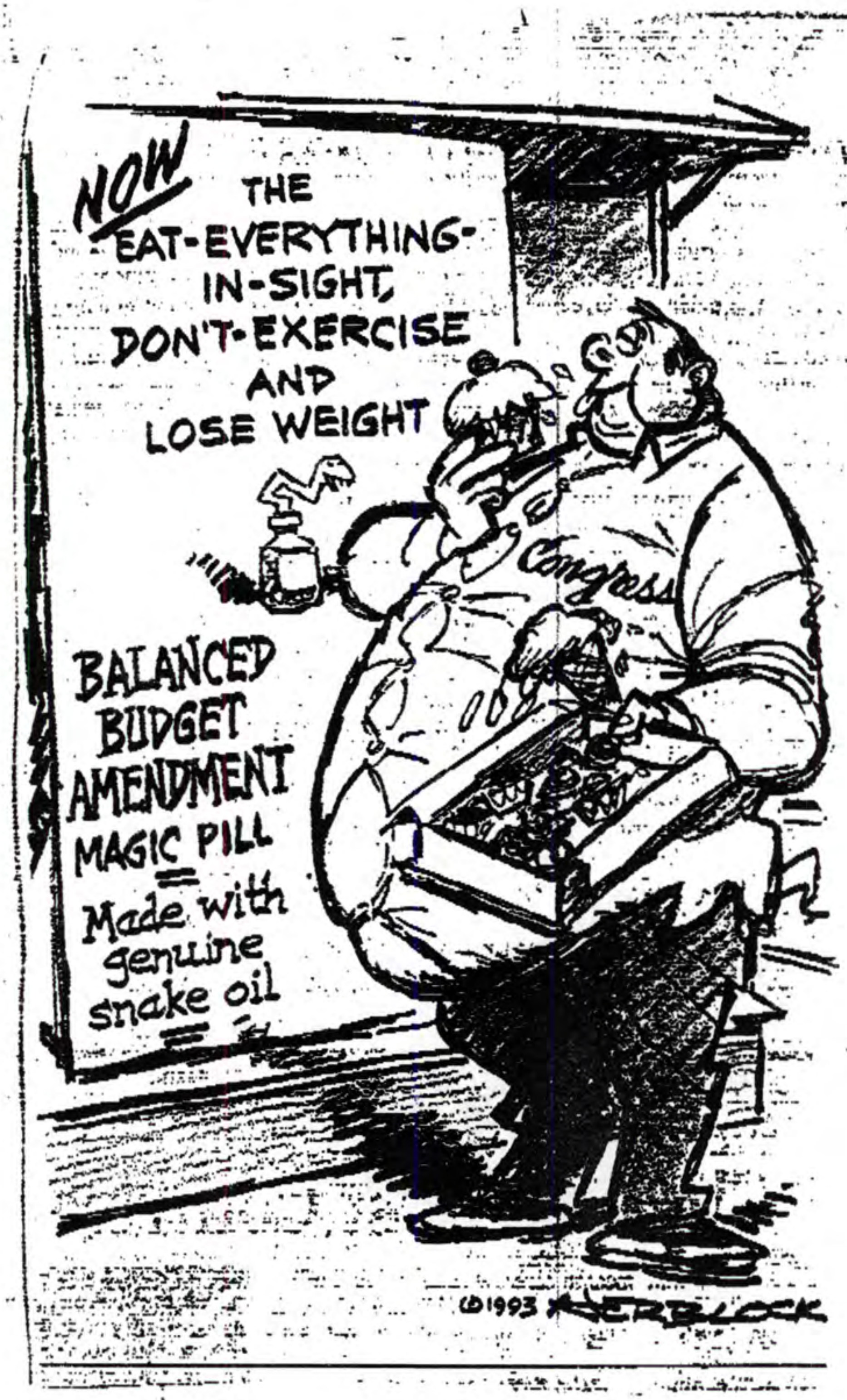
October 18, 1993

BALANCED BUDGET AMENDMENT (BBA)

WRONG (60)		LEANING WRONG (6)	UNDECIDED (4)	LEANING RIGHT (4)	BEST BETS (6)	RIGHT (26)
Bennett	Hollings	Breaux	Pryor	Dodd	Dodd	Akaka
Bingaman	Hutchinson	* Chafee	Sasser	Kerry	Ford	Baucus
Bond	Jeffords	* Cohen	Ford	Liberman	Harkin	Biden
Boren	Kempthorne	Durenberger	Glenn	Wofford	Kerry	Boxer
Brown	Kohl	Harkin			Liberman	Bradley
Bryan	Lott	Specter			Wofford	Bumpers
Burns	Lugar					Byrd
Campbell	Mack					Feingold
Coats	Mathews					Hatfield
Cochran	McCain					Inouye
Conrad	McConnell					Johnston
Coverdell	Moseley-Braun					Kassebaum
Craig	Murkowski					Kennedy
D'Amato	Nickles					Kerrey
DeConcini	Nunn					Lautenberg
Danforth	Packwood					Leahy
Daschle	Pell					Levin
Dole	Pressler					Metzenbaum
Domenici	Reid					Mikulski
Dorgan	Robb					Mitchell
Exon	Roth					Moynihan
Faircloth	Shelby					Murray
Feinstein	Simon					Riegle
Gorton	Simpson					Rockefeller
Graham	Smith					Sarbanes
Gramm	Stevens					Wellstone
Grassley	Thurmond					
Gregg	Wallop					
Hatch	Warner					
Heflin						
Helms						

November 8, 1993

* Cosponsors


NOW THE EAT-EVERYTHING-IN-SIGHT, DON'T-EXERCISE AND LOSE WEIGHT
BALANCED BUDGET AMENDMENT MAGIC PILL
Made with genuine snake oil
Congress
©1993 HERBLOCK