

BALANCED BUDGET AND SPENDING LIMITATIONS:

PROPOSED CONSTITUTIONAL AMENDMENTS IN THE 97TH CONGRESS

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ISSUE DEFINITION

Several constitutional amendments have been introduced in the 97th Congress to require a balanced Federal budget or to impose Federal spending or revenue limitations. During the 97th Congress, one such measure, S.J.Res. 58, passed the Senate; the House considered but failed to pass a similar measure, H.J.Res. 350. Although different in method and detail, balanced budget proposals seek to prevent outlays from exceeding revenues. Expenditures and revenue limitation proposals link Federal spending and taxation to some measure of economic performance, such as the rate of economic growth or percentage levels of GNP or national income.

This issue brief reviews the various approaches to balance the budget and to impose spending limitations offered as constitutional amendments in the 97th Congress. The vast majority of the amendments contain provisions requiring a balanced budget; some of these also mandate spending or revenue limitations or repayment of deficits or the public debt.

BACKGROUND AND POLICY ANALYSIS

Deficit spending has been a persistent feature of Federal budgeting for the past half century. The budget has been balanced in only nine of the 51 fiscal years since 1930, and only twice since 1960. The Federal Government incurred a deficit in every fiscal year during the 1970s. Recurring deficits have been responsible for a steep rise in the debt of the United States, from less than \$300 billion in 1960 to more than \$900 billion in FY81. Deficit budgeting also has been associated with a substantial increase in Federal outlays, from less than \$100 billion at the start of the 1960s to about \$650 billion in FY81.

In interpreting these budgetary trends, it is important to note that although the economy of the United States also has grown, the relative economic size of the Federal Government is still higher than it was 20 years ago. Federal outlays were 19.5% of gross national product (GNP) in 1959; in FY80, they totalled 22.6% of GNP. The FY81 budget is expected to take a higher share. Yet, the total Federal debt is a much smaller fraction of GNP than it once was, declining from 60.8% in FY59 to 35.6% in FY80. Viewed from this perspective, the debt is much less of a drain on the national economy than once was the case. Congressional interest in Federal spending limitations has been spurred by the Proposition 13 vote limiting State and local taxes in California and by the application of many State legislatures for a constitutional convention to consider a balanced budget requirement. According to some counts, 30 of the necessary 34 States have applied to Congress for a constitutional convention.

Proposed Balanced Budget Amendments

Proposals to balance the budget pursue this objective in different ways. Some measures do not specifically prohibit deficit spending. S.J.Res. 1 (De Concini) and H.J.Res. 45 (Holt) state that Congress "shall seek to assure" a balanced budget, but do not expressly forbid appropriations or outlays to exceed revenues. H.J.Res. 8 (Archer) says that the President must transmit to Congress a budget in balance; H.J.Res. 41 (George Hansen) proposes that

outlays not exceed receipts "to the end that the level of the national debt in the hands of the public is not increased"; H.J.Res. 181 (Fithian) permits outlays to exceed revenues by 2% as long as deficits are repaid within 5 years.

In S.J.Res. 7 (Lugar) and H.J.Res. 66 and 89 (Solomon and Beard), all concurrent resolutions on the budget containing a deficit would require a two-thirds vote for passage. Because economic performance may not live up to expectations and because concurrent resolutions on the budget lack the force of law, actual outlays of the Government might exceed actual revenues without any action taken by Congress.

Some measures impose responsibility for balancing the budget on Congress; others declare generally that outlays must not exceed revenues. H.J.Res. 2 (Coleman) and others state that Congress "shall make no appropriations for any fiscal year if the resulting total of expenditures for such year would exceed the total revenues of the United States for such fiscal year." In this case, the executive branch would not be prohibited from spending in excess of revenues, provided it had the budget authority to do so. Furthermore, decreases in revenue occasioned by an economic decline or congressional action would create deficits.

As reported, S.J.Res. 58 (Thurmond) would have required Congress to adopt a statement of revenues and spending in which "total outlays are no greater than total receipts." Congress could approve a deficit by a three-fifths vote of all Members "directed solely to that subject." Furthermore, the proposed amendment stated that Congress and the President "shall ensure that actual outlays do not exceed the outlays set forth" in the budget statement and "shall make such adjustments in the revenues laws as may be appropriate to limit receipts to the total" set forth in the statement. Revenue increases would be tied to increases in national income. However, with a majority vote in each House, the increase in revenues would be allowed to rise faster than the increase in national income.

On July 12, 1982, the Senate began floor consideration of S.J.Res. 58. The Senate debated the measure throughout the remainder of July and into the first week of August before passing it on Aug. 4, 1982, by a 69-31 vote.

During floor consideration, the Senate rejected 29 of 31 proposed amendments to S.J.Res. 58. By a 97-0 vote, the Senate did adopt a Domenici amendment that inserted new language into the text and added a new section to S.J.Res. 58.

First, the Domenici amendment changed the Section 1 language providing that Congress and the President "shall ensure that actual outlays do not exceed the outlays set forth" in the statement to read, "The Congress and the President shall pursuant to legislation or through exercise of their powers under the first and second articles ensure that actual outlays do not exceed the outlays set forth" in the statement.

Second, the Domenici amendment struck the phrase "last calendar year ending" from Section 2 of S.J.Res. 58 and added language so that Section 2 provides that statement receipts shall not increase by a rate greater than the rate of increase in national income in the "year or years ending not less than 6 months nor more than 12 months" before the fiscal year to which the statement applies.

Third, the Domenici amendment added a new Section providing that Congress

"shall enforce and implement this article by appropriate legislation."

The Senate also adopted an Armstrong amendment on Aug. 2, 1982, by a 51-45 vote. That amendment also added a new Section to S.J.Res. 58 that would require a three-fifths vote "of the whole number of both houses" to approve an increase in the permanent debt limit. The full text of S.J.Res. 58 appears at the end of this issue brief.

In May and August 1982, the Subcommittee on Monopolies and Commercial Law held hearings on H.J.Res. 350 (Jenkins, Conable et al.), a measure identical to S.J.Res. 58 as reported in the Senate, and therefore not including the Domenici and Armstrong provisions added on the Senate floor. On May 4, 1982, Representative Conable introduced H.Res. 450, a resolution providing for the consideration of H.J.Res. 350, allowing 10 hours of general debate and prohibiting amendment. On July 12, 1982, Representative Conable filed a petition to discharge the Rules Committee from consideration of H.Res. 450; on Sept. 29, 1982, the House Rules Committee was discharged from consideration of H.Res. 450 by discharge petition. The House tabled that measure pursuant to another special rule. H.Res. 604, adopted by the House on Oct. 1, 1982, provided for consideration of H.J.Res. 350. The House considered H.J.Res. 350 on Oct. 1, 1982, and the measure failed to pass by a 236-187 roll call vote.

Some measures do not mention Congress at all but ban deficit spending. H.J.Res. 3 (Neal) simply states that "total expenditures . . . shall not exceed the total revenues." Similarly, H.J.Res. 19 (Bennett) says "the aggregate amount of expenditures made by the Government . . . shall not exceed the net amount of revenue by the Government . . ." A strict reading of these amendments is that if Congress appropriated in excess of revenues, the executive branch would be barred from spending the excess.

Spending Limitations

Two approaches characterize spending limitation amendments. One links spending to a constant measure of the size of the economy; the other to economic performance. For example, S.J.Res. 26 (Harry Byrd, Va.) and H.J.Res. 113 (Kramer) limit outlays to 20% of GNP in the preceding calendar year. H.J.Res. 4 (McClory) limits outlays to the average of expenditures as a percentage of GNP for the previous three years; H.J.Res. 82 (Philip Crane) states that Congress "shall assure" that total outlays not exceed 33.3% of average national income for the three previous years.

The second method to limit spending is to prohibit an increase in expenditures above a proportionate rise in GNP. S.J.Res. 45 (Heinz), H.J.Res. 43 (George Hansen), and others propose that outlays "shall not increase by a percentage greater than the percentage increase in the nominal GNP during the last calendar year." Representative Hansen's amendment, taken from a proposal by economist Milton Friedman and the National Tax Limitation Committee, would further reduce the limit on the rise in outlays by one-fourth the rate of inflation above 3%. Thus, if nominal GNP were to rise by 10% and prices by 7%, the inflation penalty would permit outlays to rise by no more than 9%. Another measure, H.J.Res. 97 (Guyer), links outlays to the average annual percentage increase in GNP during the preceding three calendar years.

Spending limitations are also implicit in some amendments proposing tax limitations. Because a number of tax limitation measures also prohibit

deficits, for the budget to remain in balance spending must not exceed revenues.

Tax Limitations

A number of balanced budget amendments include provisions to limit taxes. H.J.Res. 11 (Ashbrook) and other measures prohibit Congress from passing any law causing "the total taxation of the people" to exceed 15% of the GNP. With non-tax revenues, spending could exceed the 15% level, but probably not by very much. Two other measures, S.J.Res. 23 and 58 (Heflin and Thurmond) require that revenues may not exceed, as a percentage of national income, those collected in the previous year. This would, in effect, freeze revenues to a proportion of the GNP existing at the time of ratification.

H.J.Res. 35 (Guyer) would attempt to curb revenues by requiring a two-thirds vote of all Members in each House to pass any law increasing revenues. Another measure, H.J.Res. 100 (Rousselot), would have Congress reduce revenues "to offset the effects of inflation."

Repayment of Deficits and the Public Debt

A number of amendments provide for Congress to repay deficits incurred after ratification. S.J.Res. 1 (De Concini) and H.J.Res. 45 and 166 (Holt and Chappell) stipulate that a deficit is to be repaid by an income tax surtax imposed in the following year by the President without formal congressional approval. All that is required is a Presidential message setting the surcharge at a rate to cover the deficit.

Other proposals allow more time for repayment of the deficit, without specific references to surtaxes. H.J.Res. 157 (Levitas) requires repayment within two years, H.J.Res. 33 (Jacobs) three years, and H.J.Res. 41 (George Hansen) four years. One measure, H.J.Res. 9 (Archer), forbids appropriations in excess of outlays after two consecutive years of deficits without legislation that would increase revenues to cover the past deficits.

Some of the proposed amendments require the retirement of the public debt. H.J.Res. 2 (Coleman) and many others set forth a schedule for the complete repayment of the debt in 100 years, with 10% of the debt repaid every decade. H.J.Res. 42 (George Hansen) establishes a 50-year schedule. A few others, H.J.Res. 10 and 33 (Derwinski and Jacobs), require that for the 20 years following ratification revenues must exceed outlays by an amount equal to 5% of Federal indebtedness.

Suspending the Constitutional Restrictions

Most of the proposed constitutional amendments would authorize Congress to temporarily set aside constitutional restrictions. While the procedures differ, they usually provide for a concurrent resolution (a legislative measure which is not presented to the President for his review) specifying that conditions warrant deficit spending or expenditures in excess of the constitutional limitation. A few require a Presidential declaration of emergency (H.J.Res. 43 --George Hansen, for example) and others a recommendation from the President before Congress may act to suspend (H.J.Res. 110--Hinson), but most enable Congress to act unilaterally without the participation or approval of the executive branch.

The proposed amendments differ as to the conditions that would permit an override. Some refer to "national emergency," others to "grave national emergency"; some mention war, while others speak in more general terms. A few simply state that provisions "shall not apply during war" (H.J.Res. 142--Hartnett). As long as Congress can decide whether a particular condition meets the requirement, most differences in wording are of little consequence. However, the size of the congressional majority required to override could make a big difference. The requirement ranges from a majority of the voting Members of the House and Senate in H.J.Res. 107 (Ginn) to three-quarters of all the Members of the House and Senate in H.J.Res. 62 (Coleman). S.J.Res. 58 has a double override feature: by majority vote when a declaration of war was in effect--or by three-fifths of the total membership of each House. An override is usually explicitly limited to either the current fiscal year or to the duration of the two-year term of the Congress.

The numerical standard could spell the difference between victory and defeat for an override attempt. It bears noting that in recent years most of the concurrent resolutions on the budget have passed the House with razor-thin majorities, sometimes fewer than a handful of votes. With House Republicans lined up in virtually solid opposition to deficit spending, the resolutions have barely managed to squeak through. A high constitutional threshold to overriding the limitation is likely to bolster the bargaining positions of Congressmen who favor smaller deficits or lower spending. By withholding their support until the deficit or spending level is brought closer to their preference, the holdouts would be able to magnify their influence over the budget. Thus, while a high requirement would not necessarily rule out imbalanced budgets or breaches of the spending limitations, it might lead to smaller deficits and less spending by Congress.

Enforcing the Constitutional Limitations

In order to enforce a constitutional restriction, it would be necessary to determine what would be covered. In the case of the Federal budget, this is likely to be a difficult, contentious task. The question of what ought to be in the budget is by no means settled; current practice is a compound of written and unwritten rules, many of which were established by the executive branch without the explicit concurrence of Congress. While some of the "boundary" problems arise out of statutory efforts to exclude certain transactions from the budget, most result from the plain fact that the public and private sectors in the United States are not clearly delineated and that any airtight delineation between the two would be impossible to achieve. Public and private are entangled in so many ways, not only by contrivance but because so many public objectives now are pursued through private or "quasi" governmental means.

In terms of prevailing practice, the easiest issue to resolve involves the approximately \$15-\$20 billion spent by the half-dozen "off-budget" agencies. Congress has excluded the transactions of these agencies from the budget totals, but can return the agencies to full budget status by statute. Arguably, a clear violation of constitutional intent would occur if monies were taken off-budget merely to contravene a binding limitation of deficits or outlays. Other issues, however, are more difficult to resolve. Seven privately-owned but federally-sponsored corporations are excluded from the budget along with their massive credit operations (amounting to more than \$20 billion per year). The private ownership test was developed by the

President's Commission on Budget Concepts in 1967; the test has been challenged by the House Budget Committee, which (in a 1976 report) noted that investors do not consider "the government-sponsored enterprises to be completely private nor, in most cases, would a member of the general public draw this distinction. Each of the government-sponsored enterprises is subject to some greater or lesser measure of federal direction, and some implicit subsidy may be presumed to arise whenever borrowing from the public is undertaken." Although these enterprises have not been established as a means of evading budget control, stringent constitutional restrictions might generate strong incentives for the creation of private organizations which perform public purposes but whose transactions were beyond the budget's pale. Such enterprises could be vested with "quasi-taxing" powers to finance their operations outside the budget.

Another problem relates to guaranteed loans, which are contingent (rather than direct) liabilities of the United States and for this reason are not counted in the budget. When the budgetary status of these loans was considered by the 1967 Budget Concepts Commission, Arthur Okun predicted that the different budgetary treatment accorded to direct and guaranteed loans "would lead to a strong preference in the budget process for guarantees over direct loans." This is exactly what has happened. Guaranteed loans have been among the fastest growing financial activities of the federal government, with the total outstanding estimated to exceed \$500 billion in FY81, an increase of almost \$200 billion in the course of four years. The increased use of guarantees is especially significant because many proponents of balanced budgets want to lessen the federal government's claim on the capital markets as well as the Federal Reserve Board's need to accommodate the money supply to the government's borrowing plans. But in terms of the demand for capital, it doesn't make much difference whether the borrowing is generated by a budget deficit or by loan guarantees. The placement of a budgetary restriction in the Constitution is likely to stimulate attempts at the creation of new off-budget devices. This has occurred on a broad scale in some State governments with constitutional debt limitations. Many States have established numerous public corporations and quasi-governmental entities that issue revenue -- "moral obligation" -- bonds outside the constitutional limit. One cannot be certain of the methods which might be proposed to escape U.S. constitutional constraints, but a premium is likely to be placed on irregular institutional forms that enable the government to borrow (or spend) in excess of the limits without technically violating the rules.

The question of budgetary coverage can be definitively settled only by statute. No matter how detailed a constitutional limitation might be, it could not possibly cover or envision all of the circumstances and circumventions which might arise in the future. The meaning of any constitutional restriction will be the meaning given by law. Arguably, therefore, the whole issue ought to be left for statutory determination, where it would be decided anyway. Whether a constitutional or statutory route were taken, the issue of which transactions are covered by budgetary restriction might have to be settled by the courts.

The same consideration applies to another enforcement question: what constitutes an outlay? The issue is of critical importance for all proposed spending limitations, but not as pressing for the balanced budget proposals. At first glance, the definition of outlays seems to be straightforward and without complication: an outlay occurs whenever the federal government makes a payment of funds. The issue, however, is not whether payments are outlays, but how outlays are computed for budgetary purposes. It is in the counting of outlays that difficulties abound.

One problem arises because outlays are reported on a net basis. Direct loans (which are included in the budget) are counted on a net basis, that is, total new loans issued minus repayments. This method is consistent with the definition of outlays in the Congressional Budget Act as "expenditures and net lending of funds." The financial activities of public enterprises such as TVA also are netted in the budget. These revolving funds conduct business-type operations for which user charges are levied. The receipts, however, are not computed in the budget as federal revenues, but offset the gross expenditures of the public enterprises. In FY81, the outlays of the public enterprise funds will total about \$58 billion, but with \$47 billion in receipts, the budget will show only about \$11 billion in net outlays. In a 1977 report, the Comptroller General recommended that these funds be budgeted on a gross rather than a net basis. He argued that changes in accounting procedures and budgetary definition can mask the true magnitude of federal expenditures and impair control of the purse.

Variants of the netting versus grossing problem occur when receipts are counted as negative expenditures and expenditures are deemed to be negative receipts. Thus, certain types of revenue (such as billions of dollars from offshore oil and gas leases) reduce the total amount of outlays reported in the budget. There appears to be no legal underpinning for this practice; it is defended on the argument that the United States is exchanging one asset for another. The sale of loan assets -- debentures held by the United States or special issues known as participation certificates or certificates of beneficial ownership -- are also treated as offsets to expenditures. It is thus possible to show lower outlays merely by selling some "paper" to the public.

If receipts are sometimes counted as negative expenditures, the opposite also is true: expenditures are sometimes treated as negative receipts rather than as the outlays of the United States. Several years ago, the House and Senate Budget Committees wrangled over whether "earned income credits" -- cash payments to low-income workers -- should be reckoned as offsets to receipts or as outlays. For FY78, the committees decided to treat the credits as negative receipts, but since the 1979 budget, the committees have counted them as outlays, thus demonstrating the lack of hard and fast rules for these types of budgetary transactions.

The grossing versus netting argument and the existence of offsetting receipts and expenditure arise out of the complexity and sprawl of the Federal budget. Even if no attempt were made to circumvent budgetary controls, a great number of contentious accounting issues would exist. Careful analysis of these issues would be warranted in the consideration of contemplated constitutional restrictions.

In order to be enforceable, a balanced budget requirement or a spending limitation would have to be accompanied by statutory controls over annual outlays. The outlay totals set in the first and second resolutions on the budget do not now have this effect. The resolutions guide Congress in its action on appropriation and other spending bills, but have no legal force. The 1973 Joint Study Committee proposed that outlay limits be enacted for each appropriation bill, but this idea was dropped during subsequent development of budget reform legislation as unworkable.

The main problem in establishing statutory controls on outlays is that outlays are sensitive to the performance of the economy and estimates change even in the absence of congressional action. The rise in interest rates, for

example, added about \$10 billion to the FY81 budget without any congressional action.

LEGISLATION

S.J.Res. 58 (Thurmond et al.)/H.J.Res. 350 (Jenkins et al.)

Constitutional amendment. Prohibits the adoption of any budget in which outlays exceed total receipts, unless approved by a three-fifths vote of each House of Congress. Prohibits the passage of any bill which would cause the total outlays for any year to exceed the total expenditures for such year. Prohibits the retention of receipts in any year in an amount which exceeds, as a proportion of the national income, the amount retained for the prior year, unless approved by Congress. Provides for a waiver of such provisions with respect to any year in which a declaration of war is in effect. S.J.Res. 58 amended on Senate floor to strengthen enforcement provisions and to require a three-fifths vote on increasing the debt limit. S.J.Res. 58 introduced Mar. 27, 1981; referred to Committee on the Judiciary. Hearings held by Subcommittee on the Constitution Apr. 9; reported to full committee May 7; approved by full committee May 19, 1981 (S.Rept. 97-151, July 10, 1981); passed Senate amended Aug. 4, 1982. H.J.Res. 350 introduced Oct. 29, 1981; referred to Committee on the Judiciary; hearings held by Subcommittee on Monopolies and Commercial Law May 5 and 19, Aug. 3-5, 1982; discharge petition filed on H.Res. 450 providing for its consideration July 12, 1982; petition achieved required signatures Sept. 29, 1982. Considered under H.Res. 604 Oct. 1, 1982 and not agreed to.

HEARINGS

- U.S. Congress. House. Committee on the Judiciary. Subcommittee on Monopolies and Commercial Law. Proposed constitutional amendments to require a balanced budget. Hearings, 96th Congress, 1st session. Mar. 27, 28, May 17, June 12, 13, Oct. 11, 1979, and May 1, 1980. Washington, U.S. Govt. Print. Off., 1980. 514 p.
- U.S. Congress. House. Committee on Rules. Task Force on Spending Limitations Proposals. Proposed limits on Federal spending. Hearings, 96th Congress, 1st session. Jan. 30; Feb. 6, 13, 20, 27, Mar. 5, 1980.
- U.S. Congress. Senate. Committee on Budget. Balancing the budget. Hearings, 96th Congress, 1st session. Mar. 5, 1979. Washington, U.S. Govt. Print. Off., 1979. 114 p.
- U.S. Congress. Senate. Committee on the Judiciary. Subcommittee on the Constitution. Balanced budget -- tax limitation; constitutional amendment. Hearings, 97th Congress, 1st session, on S. J. Res. 9, 43 and 58. March 11, April 9, and May 20, 1981. Washington, U.S. Govt. Print. Off., 1981. 177 p.
- Constitutional amendment to balance the Federal budget. Hearings, 96th Congress, 2d session, on S.J.Res. 126. Jan. 14 and Feb. 22, 1980.
- U.S. Congress. Senate. Committee on the Judiciary. Subcommittee

on the Constitution. Proposed constitutional amendments to require a balanced budget. Hearings, 96th Congress, 1st session. Mar. 12, May 23, Oct. 4 and 11, and Nov. 1, 1979.

U.S. Congress. Senate. Committee on the Judiciary. Subcommittee on Constitutional Amendments. Balancing the budget. Hearings, 94th Congress, 1st session. Sept. 23, Oct. 7, 1975. Washington, U.S. Govt. Print. Off., 1975, 222 p.

REPORTS AND CONGRESSIONAL DOCUMENTS

Consideration of House Resolution 2534. [Debate and vote in the Senate] Congressional record [daily ed.] v. 125, Mar. 27, 1979: S3425-S3456.

Consideration of House Concurrent Resolution 107. [Debate in the House] Congressional record [daily ed.] v. 125, Apr. 30, 1979: H2390-H2425.

Consideration of Senate Concurrent Resolution 22. [Debate in the Senate] Congressional record [daily ed.] v. 125, Apr. 23, 1979: S4414-S4420.

U.S. Congress. House. Committee on the Budget. Report pursuant to Public Law 96-5 (Part 1). Washington, U.S. Govt. Print. Off., 1979. 106 p. (96th Congress, 1st Session. House. Report no. 96-96)

----- Report pursuant to Public Law 96-5 (Part 2). Washington, U.S. Govt. Print. Off., 1979. 77 p. (96th Congress, 1st session. House. Committee print 96-8)

----- Second concurrent resolution on the budget; report to accompany H.Con.Res. 186. Washington, U.S. Govt. Print. Off., 1979. (96th Congress, 1st session. House. Report no. 96-435)

----- Toward a balanced budget; report, pursuant to P.L. 96-5. Washington, U.S. Govt. Print. Off., 1979. (96th Congress, 1st session. House. Report no. 96-96)

U.S. Congress. Senate. Committee on the Budget. First concurrent resolution on the budget; report to accompany S.Con.Res. 22 and S.Con.Res. 23. Washington, U.S. Govt. Print. Off., 1979. 393 p. (96th Congress, 1st session. Senate. Report no. 96-68)

----- Second concurrent resolution on the budget; report to accompany S.Con.Res. 36. Washington, U.S. Govt. Print. Off., 1979. (96th Congress, 1st session. Senate. Report no. 96-311)

U.S. Congress. Committee on the Judiciary. Balanced budget-tax limitation constitutional amendment; report to accompany S.J.Res. 58. Washington, U.S. Govt. Print. Off., 1981 (97th Congress, 1st session. Senate. Report no. 97-151.)

U.S. Congress. Senate. Committee on the Judiciary. Subcommittee on Constitutional Amendments. Report pursuant to S.Res. 72, Section 5. Washington, U.S. Govt. Print. Off., 1976, p. 14-16. (94th Congress, 2d session. Senate. Report no. 94-1373)

CHRONOLOGY OF EVENTS

- 10/01/82 -- H.J.Res. 350, identical to S.J.Res. 58 as reported in Senate, failed to pass the House.
- 08/04/82 -- S.J.Res. 58 passed by the Senate.
- 07/10/81 -- S.J.Res. 58 reported by the Senate Committee on the Judiciary (S.Rept. 97-151).
- 05/20/81 -- Senate Committee on the Judiciary, Subcommittee on the Constitution, held hearings on S.J.Res. 58, a proposed amendment to the Constitution sponsored by Senator Thurmond to require a balanced budget and impose tax limitations.
- 05/19/81 -- The Senate Committee on the Judiciary approved S.J.Res. 58 by an 11-5 vote.
- 05/07/81 -- Senate Committee on the Judiciary, Subcommittee on the Constitution, voted 3-0 to send to the full committee S.J.Res. 58, a proposed constitutional amendment to require a balanced budget and tax limitations.
- 04/09/81 -- Senate Committee on the Judiciary, Subcommittee on the Constitution, held hearings on S.J.Res. 58, a proposed amendment sponsored by Senator Thurmond to balance the budget and impose a tax limitation.
- 03/18/81 -- The House Committee on the Judiciary, Subcommittee on Monopolies and Commercial Law, held hearings on H.J.Res. 2 and related bills proposing an amendment to the Constitution to require a balanced budget. The hearings continued on Mar. 19.
- 03/11/81 -- Senate Committee on the Judiciary, Subcommittee on the Constitution held hearings on S.J.Res. 43, a proposed amendment to balance the budget and impose a tax limitation.
- 03/18/80 -- Senate Committee on the Judiciary failed to approve S.J.Res. 126 for reporting.
- 01/30/80 -- House Committee on Rules, Task Force on Spending Limitations Proposals, began hearings on proposals advocating restricted growth of Federal spending. Hearings continued on Feb. 6, 13, 20, 27, and Mar. 5, 1980.

- 01/14/80 -- Senate Committee on the Judiciary began hearings on S.J.Res. 126, a proposed amendment to balance the Federal budget. Hearings continued on Feb. 22, 1980.
- 12/19/79 -- Senate Committee on the Judiciary, Subcommittee on the Constitution, reported to the committee as a whole, by a 5-2 vote, S.J.Res. 126, a proposed balanced budget constitutional amendment.
- 09/19/79 -- Senate passed S.Con.Res. 36, the second concurrent resolution on the budget for FY80, by a vote of 62-36. The measure set targets for a balanced budget in FY81.
- 04/13/79 -- President Carter signed H.R. 2534 into law (P.L. 96-5).
- 04/12/79 -- By a vote of 209-165, House concurred with Senate amendments to H.R. 2534.
- 03/27/79 -- House Committee on the Judiciary, Subcommittee on Monopolies and Commercial Law began hearings on resolutions proposing constitutional amendment to require a balanced budget. Hearings continued on Mar. 28, May 7, June 12 and 13, Oct. 11, 1979, and May 1, 1980.
- Senate passed H.R. 2534 by a 61-33 vote.
- Senate amended H.R. 2534. By 57-42 vote, amendment of Senator Long calling for the Senate Budget Committee to report a balanced budget for FY81. By 93-2 vote, amendment of Senator Packwood requiring the President, if he submits to Congress a budget which, if adopted, would result in a deficit, to submit an alternative budget which is in balance.
- 03/15/79 -- House passed H.R. 2534 by 212-195 vote.
- 03/12/79 -- Senate Committee on the Judiciary, Subcommittee on the Constitution held hearings on proposed constitutional amendments to require a balanced budget. The hearings continued on May 23, Oct. 4, 11, Nov. 1, 1979, and Feb. 22, 1980.
- 03/05/79 -- Senate Committee on the Budget held hearings on balancing the budget.
- 03/01/79 -- Representative Ullman introduced H.R. 2534, a bill to provide for temporary increase in the public debt limit, and for other purposes. Committee of referral: House Committee on Ways and Means.
- 10/11/78 -- President Carter signed H.R. 9214 into law (P.L. 95-435).
- 09/28/78 -- House agreed to conference report on H.R. 9214 by a 238-138 vote.
- 09/25/78 -- Senate agreed to conference report on H.R. 9214.

- 07/31/78 -- Senate passed H.R. 9214, as amended,
to mandate a balanced U.S. budget by FY81.
- 02/23/78 -- House passed H.R. 9214.
- 09/20/77 -- Representative Neal introduced H.R. 9214, a bill to
amend the Bretton Woods Agreement Act to authorize
the United States to participate in Witteveen
Supplementary Financing Facility to International
Monetary Fund.

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Text of the Amendment

ARTICLE —

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 of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several states within seven years after its submission to the states for ratification:

SECTION 1. Prior to each fiscal year, the Congress shall adopt a statement of receipts and outlays for that year in which total outlays are no greater than total receipts. The Congress may amend such statement provided revised outlays are no greater than revised receipts. Whenever three-fifths of the whole number of both Houses shall deem it necessary, Congress in such statement may provide for a specific excess of outlays over receipts by a vote directed solely to that subject. The Congress and the President shall, pursuant to legislation or through the exercise of their powers under the first and second articles, ensure that actual outlays do not exceed the outlays set forth in such statement.

SECTION 2. Total receipts for any fiscal year set forth in the statement adopted pursuant to this article shall not increase by a rate greater than the rate of increase in national income in the year or years ending not less than six months nor more than twelve months before such fiscal year, unless a majority of the whole number of both Houses of Congress shall have passed a bill directed solely to approving specific additional receipts and such bill has become law.

SECTION 3. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect.

SECTION 4. Total receipts shall include all receipts of the United States except those derived from borrowing and total outlays shall include all outlays of the United States except those for repayment of debt principal.

SECTION 5. The Congress shall enforce and implement this article by appropriate legislation.

SECTION 6. On and after the date this article takes effect, the amount of federal public limit as of such date shall become permanent and there shall be no increase in such amount unless three-fifths of the whole number of both Houses of Congress shall have passed a bill approving such increase and such bill has become law.

SECTION 7. This article shall take effect for the second fiscal year beginning after its ratification.