

**BALANCED BUDGET  
CONSTITUTIONAL AMENDMENT:  
HEARINGS, 104 CONGRESS, 1ST  
SESSION, ON H.J. RES. 1, SERIAL  
NO. 5, JANUARY 9 AND 10, 1995**

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## BALANCED BUDGET CONSTITUTIONAL AMENDMENT

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MONDAY, JANUARY 9, 1995

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON THE CONSTITUTION,  
COMMITTEE ON THE JUDICIARY,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 10:05 a.m., in room 2141, Rayburn House Office Building, Hon. Charles T. Canady (chairman of the subcommittee) presiding.

Present: Representatives Charles T. Canady, Henry J. Hyde, F. James Sensenbrenner, Jr., Lamar Smith, Bob Inglis, Bob Goodlatte, Martin R. Hoke, Michael Patrick Flanagan, John Conyers, Jr., Patricia Schroeder, Barney Frank, Melvin L. Watt, and José E. Serrano.

Also present: Representatives Howard Coble, Carlos J. Moorhead, Robert C. Scott, and Sheila Jackson Lee.

Subcommittee staff present: Kathryn A. Hazeem, counsel; and Betty Wheeler, minority counsel; full committee staff present: Alan F. Coffey, Jr., general counsel/staff director; Peter J. Levinson, counsel; Jonathan R. Yarowsky, minority chief counsel; Sherille Ismail, minority counsel; and Robert Rabin, minority counsel.

### OPENING STATEMENT OF CHAIRMAN CANADY

Mr. CANADY. The subcommittee will come to order.

As we begin this hearing, I would like to note that the Chair of this subcommittee, now named the Subcommittee on the Constitution, has been occupied for over 20 years by Don Edwards of California. Although the Republicans often disagreed in principle with Chairman Edwards, we were continually impressed by his devotion to the Constitution. He conducted subcommittee hearings with a spirit of fairness and goodwill and made an effort to cooperate with and accommodate the minority members of this subcommittee. He has left us a great legacy and I look forward to working together with all the members of the subcommittee on the vital issues that confront us.

For many years, Mr. Hyde, now the chairman of the full Judiciary Committee, has served with great distinction as the ranking minority member of this subcommittee. I would now like to turn over the gavel to Mr. Hyde who will preside at today's hearing.

### OPENING STATEMENT OF CHAIRMAN HYDE

Mr. HYDE [presiding]. Thank you, Mr. Canady.



Today, the House Judiciary Committee begins its formal consideration of the Contract With America focusing specifically on the proposed balanced budget constitutional amendment.

The adoption of the balanced budget amendment would be more than a mere symbolic act. It would have a powerful impact on Federal fiscal policies. It would establish a binding legal framework—a disciplined structure—requiring Congress to make the tough choices that must be made.

The current figures are both inescapable and staggering. The Federal debt is now \$4.7 trillion. The Federal deficit for fiscal year 1995 will be \$175 billion. In fiscal year 1996, the deficit will increase to \$207 billion and by the year 2000 the deficit will reach \$283 billion. The Federal Government has run budget deficits in 33 out of the last 34 years.

The interest on the national debt in this fiscal year 1995 is \$226 billion. Next fiscal year, the interest on the national debt will increase to \$245 billion. By the year 2000, the current estimates are that the interest on the debt will reach \$283 billion. Interest on the national debt is now the third largest item in the Federal budget after Social Security and Defense.

Frequently, one hears the argument that fiscal policy does not belong in our Nation's Constitution. But the fact is that it is already there. Congress is granted the power to lay and collect taxes, to impose customs duties and tariffs and to pay debts. Congress is also directed in article I to "provide for the common defense and general welfare of the United States." Congress is specifically authorized to borrow money and regulate interstate commerce. The 16th amendment to the Constitution authorized the income tax. The Constitution is hardly a document devoid of economic policies and decisions. The argument that our Constitution must be neutral on economic matters simply disregards what the Constitution already says.

Fundamental changes in our national fiscal policies are essential. The American taxpayer deserves relief. We need to act boldly to regain the confidence of the investment community both here and abroad. If more dollars are available to the private sector, savings rates would increase, interest rates will be lower, capital investment will be encouraged, and more jobs will be available for Americans.

The preamble to our Constitution states that we are "to promote the general Welfare and to secure the Blessings of Liberty to ourselves and our Posterity." Well, our posterity is our children and our grandchildren—and current fiscal policies impose a burdensome debt on those children and grandchildren. We should return to the spirit and the letter of our Constitution's preamble.

We do have an opportunity to put this Nation's fiscal house in order. We shouldn't shrink from that responsibility. Now is the appropriate time.

[The bill, H.J. Res. 1, follows:]

104TH CONGRESS  
1ST SESSION

# H. J. RES. 1

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

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1995

Mr. BARTON of Texas, Mr. HYDE, Mr. TATE, and Mr. PETE GEREN of Texas (for themselves, Mr. ALLARD, Mr. ARMEY, Mr. MICA, Mr. BACHUS, Mr. BAKER of California, Mr. BALLENGER, Mr. BARR, Mr. BARRETT of Nebraska, Mr. BARTLETT of Maryland, Mr. BLIRAKIS, Mr. BLUTE, Mr. BONILLA, Mr. BONO, Mr. BROWNBACK, Mr. BUNNING of Kentucky, Mr. BURR, Mr. BURTON of Indiana, Mr. CALVERT, Mr. CAMP, Mr. CANADY, Mr. CASTLE, Mr. CHAMBLISS, Mr. CHRISTENSEN, Mr. CHRYSLER, Mr. COBURN, Mr. COLLINS of Georgia, Mr. COMBEST, Mr. COOLEY, Mr. COX, Mr. CRANE, Mr. CREMEANS, Mrs. CUBIN, Mr. CUNNINGHAM, Ms. DANNER, Mr. DORNAN, Mr. DUNCAN, Ms. DUNN, Mr. EMERSON, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, Mr. EVERETT, Mr. EWING, Mr. FAWELL, Mr. FLANAGAN, Mr. FOLEY, Mr. FORBES, Mrs. FOWLER, Mr. FOX, Mr. FRELINGHUYSEN, Mr. FRISA, Mr. GANSKE, Mr. GEKAS, Mr. GILCHREST, Mr. GILLMOR, Mr. GOODLATTE, Mr. GOODLING, Mr. GOSS, Mr. GREENWOOD, Mr. GUTKNECHT, Mr. HANCOCK, Mr. HASTERT, Mr. HASTINGS of Washington, Mr. HAYWORTH, Mr. HEINEMAN, Mr. HERGER, Mr. HILLEARY, Mr. HOBSON, Mr. HORN, Mr. HOUGHTON, Mr. HUNTER, Mr. HUTCHINSON, Mr. INGLIS of South Carolina, Mr. ISTOOK, Mr. SAM JOHNSON of Texas, Mr. JONES, Mr. KIM, Mr. KINGSTON, Mr. KNOLLENBERG, Mr. LAHOOD, Mr. LARGENT, Mr. LATHAM, Mr. LATOURETTE, Mr. LEACH, Mr. LEWIS of Kentucky, Mr. LIGHTFOOT, Mr. LINDER, Mr. LOBIONDO, Mr. LUCAS, Mr. MCINTOSH, Mr. MCCOLLUM, Mr. MCCREERY, Ms. MOLINARI, Mrs. MEYERS of Kansas, Mr. MILLER of Florida, Mr. MOORHEAD, Mrs. MYRICK, Mr. NEUMANN, Mr. NUSSLE, Mr. OXLEY, Mr. PACKARD, Mr. POMBO, Mr. PORTMAN, Ms. PRYCE, Mr. RADANOVICH, Mr. QUILLEN, Mr. QUINN, Mr. RIGGS, Mr. ROTH, Mr. ROYCE, Mr. SANFORD, Mr. SAXTON, Mr. SCHAEFER, Mr. SENSENBRENNER, Mr. SHADEGG, Mr. SHAW, Mr. SHAYS, Mr. SMITH of

New Jersey, Mr. SMITH of Texas, Mr. SMITH of Michigan, Mr. SOLOMON, Mr. SPENCE, Mr. STEARNS, Mr. STOCKMAN, Mr. STUMP, Mr. TALENT, Mr. TAUZIN, Mr. TAYLOR of North Carolina, Mr. THORNBERRY, Mr. TIAHRT, Mrs. WALDHOLTZ, Mr. WAMP, Mr. WELDON of Pennsylvania, Mr. WELLER, Mr. WHITFIELD, Mr. WICKER, Mr. ZIMMER, Mr. CRAPO, Mr. KOLBE, Mr. PAXON, Mr. YOUNG of Florida, Mr. COBLE, and Mr. EHRlich) introduced the following joint resolution; which was referred to the Committee on the Judiciary

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## JOINT RESOLUTION

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

1       *Resolved by the Senate and House of Representatives*  
2 *of the United States of America in Congress assembled*  
3 *(two-thirds of each House concurring therein), That the fol-*  
4 *lowing article is proposed as an amendment to the Con-*  
5 *stitution of the United States, which shall be valid to all*  
6 *intents and purposes as part of the Constitution when*  
7 *ratified by the legislatures of three-fourths of the several*  
8 *States within seven years after the date of its submission*  
9 *for ratification:*

10                                   “ARTICLE —

11       “SECTION 1. Prior to each fiscal year, Congress shall,  
12 by law, adopt a statement of receipts and outlays for such  
13 fiscal year in which total outlays are not greater than total  
14 receipts. Congress may, by law, amend that statement pro-  
15 vided revised outlays are not greater than revised receipts.  
16 Congress may provide in that statement for a specific ex-