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Bal. Bud.

96TH CONGRESS
1ST SESSION

S. J. RES. 2

To require the Federal Government to end deficit financing.

IN THE SENATE OF THE UNITED STATES

JANUARY 15, 1979

Mr. DECONCINI (for himself and Mr. GOLDWATER) introduced the following joint resolution; which was read twice and referred to the Committee on the Judiciary

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JOINT RESOLUTION

To require the Federal Government to end deficit financing.

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 hereby 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 when ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. In exercising its powers under article I of the Constitution, and in particular its powers to lay and collect taxes, duties, imposts, and excises and to enact laws making appropriations, the Congress shall seek to assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year.

"SEC. 2. No later than the twentieth day after the close of each fiscal year, the President shall—

"(1) ascertain the total receipts of the Governments during such fiscal year, not including any receipts derived from the issuance of bonds, notes, or other obligations of the United states, and not including any receipts from any income tax surtax imposed under this article;

"(2) ascertain the total outlays of the Government during such fiscal year, not including any outlays for the redemption of bonds, notes, or other obligations of the United States; and

"(3) if the total receipts described in paragraph (1) are less than the total outlays described in paragraph (2), determine the percentage rate of income tax surtax, to be imposed as provided in section 3, which is necessary to provide an additional amount of reve-

1 nue equal to the amount by which such total receipts
2 are less than such total outlays, and transmit to the
3 Congress, by special message, the rate of income tax
4 surtax so determined.
5 "SEC. 3. Subject to the provisions of section 4, an
6 income tax surtax, at the rate determined and transmitted by
7 the President under section 2—
8 "(1) shall be effective for the calendar year fol-
9 lowing the close of the fiscal year with respect to
10 which the determination was made, or for so much of
11 such calendar year for which such surtax is not sus-
12 pended under section 4, and
13 "(2) shall apply, as an additional income tax for
14 the period for which it is in effect, with respect to the
15 income tax liability of each taxpayer which is attributa-
16 ble to the portion or portions of such taxpayer's tax-
17 able year or years which fall within such period.
18 The income tax liability attributable to a portion of a taxable
19 year falling within a period shall be based upon the ratio of
20 the number of days in the taxable year within such period to
21 the total number of days in the taxable year.
22 "SEC. 4. In the case of a grave national emergency
23 declared by Congress (including a state of war formally de-
24 clared by Congress), the income tax surtax which would
25 otherwise be in effect for a calendar year under section 3

may be suspended for such year, or a portion thereof, by a concurrent resolution agreed to by a rollcall vote of two-thirds of the Members present and voting of each House of Congress, with such resolution providing the period of time, if less than the whole calendar year, during which such surtax is to be suspended.

"SEC. 5. This article shall apply with respect to the first fiscal year beginning after the ratification of this article and each succeeding fiscal year.

"SEC. 6. The Congress shall have power to enforce this article by appropriate legislation.".

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2/3

96TH CONGRESS
1ST SESSION

S. J. RES. 4

Proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues.

IN THE SENATE OF THE UNITED STATES

JANUARY 15, 1979

Mr. LUGAR introduced the following joint resolution; which was read twice and referred to the Committee on the Judiciary

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JOINT RESOLUTION

Proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues.

1 *Resolved by the Senate and House of Representatives of*
2 *the United States of America in Congress assembled (two-*
3 *thirds of each House concurring therein),* That the following
4 article is proposed as an amendment to the Constitution of
5 the United States, which shall be valid to all intents and
6 purposes as part of the Constitution when ratified by the leg-

II—E●

1 islatures of three-fourths of the several States within seven
2 years from the date of its submission by the Congress:

3 "ARTICLES —

4 "On the question of agreeing, in either the House of
5 Representatives or the Senate, to a concurrent resolution of
6 the two Houses of the Congress which sets forth an appropri-
7 ate level of total budget outlays of the Federal Government
8 for a fiscal year and a recommended level of Federal rev-
9 enues for that fiscal year or of agreeing, in either the House
10 of Representatives or the Senate, to a report of a conference
11 committee on such a concurrent resolution, the affirmative
12 vote of two-thirds of Members present and voting (a quorum
13 being present), shall be required for agreeing to the question,
14 if the appropriate level of total budget outlays set forth in
15 such concurrent resolution or recommended in such confer-
16 ence report exceeds the recommended level of Federal rev-
17 enues set forth in such concurrent resolution or recommended
18 in such conference report.".

O

2/3 o/o GNP

96TH CONGRESS
1ST SESSION

S. J. RES. 5

Proposing an amendment to the Constitution to provide expenditures of the Government may not exceed the revenues of the Government during any fiscal year, and for limits on Federal spending and taxing.

IN THE SENATE OF THE UNITED STATES

JANUARY 15, 1979

Mr. DOLE introduced the following joint resolution; which was read twice and referred to the Committee on the Judiciary

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JOINT RESOLUTION

Proposing an amendment to the Constitution to provide expenditures of the Government may not exceed the revenues of the Government during any fiscal year, and for limits on Federal spending and taxing.

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 when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. Except as provided in section 2 of this article, the aggregate amount of expenditures made by the Government during any fiscal year shall not exceed the net amount of revenue received by the Government during that fiscal year.

"SEC. 2. Congress may determine by a concurrent resolution agreed to by a rollcall vote of two-thirds of all the Members of each House of Congress that total outlays may exceed total receipts, but it shall not be in order in either the House of Representatives or the Senate to consider any concurrent resolution if for more than three fiscal years out of the preceding eight fiscal years total budget outlays exceed total Federal revenues. If for any fiscal year total Budget outlays exceed Federal revenues, the succeeding four fiscal years shall set forth an aggregate amount of appropriate surplus equal to the amount of such excess.

"SEC. 3. (a) PERCENTAGE OF GROSS NATIONAL PRODUCT.—Beginning with the third fiscal year after the enactment of this Resolution, and for each year thereafter, the appropriate level of total budget outlays and the appropriate level of Federal revenues set forth in any concurrent resolution on the budget for a fiscal year shall not exceed 18 percent of the Gross National Product at the close of such fiscal year as projected by the Director of the Congressional

1 Budget Office and reported by him, from time to time, to the
2 Committee on the Budget of the House of Representatives
3 and Senate.

4 "(b) The provisions of subsection 3(a) shall not apply to
5 a concurrent resolution on the budget for a fiscal year upon
6 the affirmative vote of two-thirds of the Members of the
7 House of Representatives and the Senate present and voting,
8 by rollcall vote.

9 "SEC. 4. The Congress shall have power to carry this
10 article into effect by appropriate legislation.

11 "SEC. 5. This article shall take effect on the first day of
12 the second fiscal year which begins after the date of its ratifi-
13 cation.

14 "SEC. 6. This article shall be inoperative unless it is
15 ratified as an amendment to the Constitution by the legisla-
16 tures of three-fourths of the several States within seven years
17 from the date of its submission to the States by the Con-
18 gress.".

O

96TH CONGRESS
1ST SESSION

S. J. RES. 6

To require the Federal Government to end deficit financing.

IN THE SENATE OF THE UNITED STATES

JANUARY 15, 1979

Mr. STENNIS introduced the following joint resolution; which was read twice and referred to the Committee on the Judiciary

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JOINT RESOLUTION

To require the Federal Government to end deficit financing.

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 hereby 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 when ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. In exercising its powers under article I of the Constitution, and in particular its powers to lay and collect taxes, duties, imposts, and excises and to enact laws

1 making appropriations, the Congress shall seek to assure that
2 the total outlays of the Government during any fiscal year do
3 not exceed the total receipts of the Government during such
4 fiscal year.

5 "SEC. 2. No later than the twentieth day after the close
6 of each fiscal year, the President shall—

7 "(1) ascertain the total receipts of the Govern-
8 ments during such fiscal year, not including any re-
9 ceipts derived from the issuance of bonds, notes, or
10 other obligations of the United States, and not includ-
11 ing any receipts from any income tax surtax imposed
12 under this article;

13 "(2) ascertain the total outlays of the Government
14 during such fiscal year, not including any outlays for
15 the redemption of bonds, notes, or other obligations of
16 the United States; and

17 "(3) if the total receipts described in paragraph (1)
18 are less than the total outlays described in paragraph
19 (2), determine the percentage rate of income tax
20 surtax, to be imposed as provided in section 3, which
21 is necessary to provide an additional amount of reve-
22 nue equal to the amount by which such total receipts
23 are less than such total outlays, and transmit to the
24 Congress, by special message, the rate of income tax
25 surtax so determined.

"SEC. 3. Subject to the provisions of section 4, an income tax surtax, at the rate determined and transmitted by the President under section 2—

"(1) shall be effective for the calendar year following the close of the fiscal year with respect to which the determination was made, or for so much of such calendar year for which such surtax is not suspended under section 4, and

"(2) shall apply, as an additional income tax for the period for which it is in effect, with respect to the income tax liability of each taxpayer which is attributable to the portion or portions of such taxpayer's taxable year or years which fall within such period.

The income tax liability attributable to a portion of a taxable year falling within a period shall be based upon the ratio of the number of days in the taxable year within such period to the total number of days in the taxable year.

"SEC. 4. In the case of a grave national emergency declared by Congress (including a state of war formally declared by Congress), the income tax surtax which would otherwise be in effect for a calendar year under section 3 may be suspended for such year, or a portion thereof, by a concurrent resolution, agreed to by a rollcall vote of three-fourths of all Members of each House of Congress, with such resolution

1 providing the period of time, if less than the whole calendar
2 year, during which such surtax is to be suspended.
3 "SEC. 5. This article shall apply with respect to the first
4 fiscal year beginning after the ratification of this article and
5 each succeeding fiscal year.
6 "SEC. 6. The Congress shall have power to enforce this
7 article by appropriate legislation.".

O

96TH CONGRESS
1ST SESSION

S. J. RES. 7

Proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt.

IN THE SENATE OF THE UNITED STATES

JANUARY 15, 1979

Mr. ARMSTRONG introduced the following joint resolution; which was read twice and referred to the Committee on Judiciary

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JOINT RESOLUTION

Proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt.

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, to be valid only if ratified by the legislatures of three-fourths of the several States within seven years after the date of final passage of this joint resolution:

"ARTICLE —

"SECTION 1. Except as provided in section 2, the Congress shall make no appropriation for any fiscal year if the resulting total of appropriations for such fiscal year would exceed the total estimated revenues of the United States for such fiscal year.

"SEC. 2. In time of war or national emergency, as declared by the Congress, the application of section 1 may be suspended by a concurrent resolution which has passed the Senate and the House of Representatives by an affirmative vote of three-fourths of the authorized membership of each such House. Such suspension shall be effective only for the two-year term of the Congress which passes such resolution.

"SEC. 3. There shall be no increase in the national debt and such debt, as it exists on the date on which this article is ratified, shall be repaid during the one-hundred-year period beginning with the first fiscal year which begins after the date on which this article is ratified. The rate of repayment shall be such that one-tenth of such debt shall be repaid during each ten-year interval of such one-hundred-year period.

"SEC. 4. This article shall apply only with respect to fiscal years which begin more than six months after the date on which this article is ratified.".

O

96TH CONGRESS
1ST SESSION

S. J. RES. 9

To amend the Constitution of the United States to provide that appropriations made by the United States shall not exceed 33⅓ per centum of the average national income of the prior three calendar years, except as specified during war or national emergency.

IN THE SENATE OF THE UNITED STATES

JANUARY 15, 1979

Mr. MCCLURE introduced the following joint resolution; which was read twice and referred to the Committee on the Judiciary

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JOINT RESOLUTION

To amend the Constitution of the United States to provide that appropriations made by the United States shall not exceed 33⅓ per centum of the average national income of the prior three calendar years, except as specified during war or national emergency.

1 *Resolved by the Senate and House of Representatives of*
2 *the United States of America in Congress assembled (two-*
3 *thirds of each House concurring therein),* That the following
4 article is hereby proposed as an amendment to the Constitu-
5 tion of the United States, which shall be valid to all intents
6 and purposes as part of the Constitution when ratified by

1 legislatures of three-fourths of the several States within
2 seven years after its submission to the States for ratification:
3 "SECTION 1. In exercising its powers under article I of
4 the Constitution, and in particular its powers to lay and col-
5 lect taxes, duties, imposts, and excises and to enact laws
6 making appropriations, the Congress shall assure that the
7 total outlays of the Government during any fiscal year
8 (except for repayment of debt) do not exceed thirty-three and
9 one third percent of the average national income for the three
10 prior calendar years.
11 "SEC. 2. In case of national emergency or war, the limit
12 may be exceeded but all expenditures in excess of thirty-
13 three and one third percent must be approved by a concur-
14 rent resolution agreed to by a rollcall vote of three-fourths of
15 all the Members of each House of Congress. The limitation
16 may be exceeded only in that fiscal year in which such a vote
17 was taken.".

O

96TH CONGRESS
1ST SESSION

S. J. RES. 10

Proposing a constitutional amendment to require a balanced budget.

IN THE SENATE OF THE UNITED STATES

JANUARY 15, 1979

Mr. MCCLURE introduced the following joint resolution; which was read twice and referred to the Committee on the Judiciary

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JOINT RESOLUTION

Proposing a constitutional amendment 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 hereby 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 when ratified by the legislatures of three-fourth of the several States within seven years after its submission to the States for ratification, and

shall apply with respect to the first fiscal year beginning after the ratification of this article and each succeeding fiscal year:

"ARTICLE—

"SECTION 1. Except when Congress shall determine to the contrary for a period not to exceed one year by two-thirds of the votes of both Houses thereof, the Congress shall assure that the total outlays of the Government during any fiscal year (not including any outlays for the redemption of bonds, notes, or other obligations of the United States) do not exceed the total receipts of the Government during such fiscal year (not including any receipts derived from the issuance of bonds, notes, or other obligations of the United States).".

O

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File
Emerson
- Const. amendment

96TH CONGRESS
1ST SESSION

S. J. RES. 10

Proposing a constitutional amendment to require a balanced budget.

IN THE SENATE OF THE UNITED STATES

JANUARY 15, 1979

Mr. MCCLURE introduced the following joint resolution; which was read twice and referred to the Committee on the Judiciary

---

JOINT RESOLUTION

Proposing a constitutional amendment 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 hereby 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 when ratified by the legislatures of three-fourth of the several States within seven years after its submission to the States for ratification, and

1 shall apply with respect to the first fiscal year beginning after
2 the ratification of this article and each succeeding fiscal year:

3 "ARTICLE—

4 "SECTION 1. Except when Congress shall determine to
5 the contrary for a period not to exceed one year by two-
6 thirds of the votes of both Houses thereof, the Congress shall
7 assure that the total outlays of the Government during any
8 fiscal year (not including any outlays for the redemption of
9 bonds, notes, or other obligations of the United States) do not
10 exceed the total receipts of the Government during such
11 fiscal year (not including any receipts derived from the issu-
12 ance of bonds, notes, or other obligations of the United
13 States).".

O

96TH CONGRESS
1ST SESSION

S. J. RES. 11

To amend the Constitution relating to a balanced budget.

IN THE SENATE OF THE UNITED STATES

JANUARY 15, 1979

Mr. TALMADGE (for himself and Mr. NUNN) introduced the following joint resolution; which was read twice and referred to the Committee on the Judiciary

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JOINT RESOLUTION

To amend the Constitution relating to 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 of the United States, 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:

"ARTICLE —

"SECTION 1. Except as provided in section 2 of this article, the aggregate amount of expenditures made by the

1 Government during any fiscal year shall not exceed the net
2 amount of revenue received by the Government during that
3 fiscal year.

4 "SEC. 2. The provisions of section 1 shall not apply to
5 any fiscal year—

6 "(1) if at any time during that fiscal year the
7 United States is in a state of war declared by the Con-
8 gress pursuant to section 8 of article I of this Constitu-
9 tion, or

10 "(2) if, with respect to that fiscal year, the Senate
11 and the House of Representatives agree to a concur-
12 rent resolution stating, in substance, that a national
13 economic emergency requires the suspension of the ap-
14 plication of section I for that fiscal year.

15 In exercising its power under paragraph (2) of this section,
16 the Senate and House of Representatives shall take into con-
17 sideration the extent and rate of industrial activity, unem-
18 ployment, and inflation, and such other factors as they deem
19 appropriate.

20 "SEC. 3. The Congress shall have power to carry this
21 article into effect by appropriate legislation.

22 "SEC. 4. This article shall take effect on the first day of
23 the first fiscal year which begins after the date of its ratifica-
24 tion.

"SEC. 5. This article shall be inoperative unless it is ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress.".

O

96TH CONGRESS
1ST SESSION

S. J. RES. 13

To amend the Constitution of the United States.

IN THE SENATE OF THE UNITED STATES

JANUARY 15, 1979

Mr. HELMS introduced the following joint resolution; which was read twice and referred to the Committee on the Judiciary

---

JOINT RESOLUTION

To amend the Constitution of the United States.

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby 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 when ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Except when Congress shall determine, by three-fourths of the votes of both Houses thereof, that a

1 grave national emergency exists, the Congress shall assure
2 that the total outlays of the Government during any fiscal
3 year (not including any outlays for the redemption of bonds,
4 notes, or other obligations of the United States) do not
5 exceed the total receipts of the Government during such
6 fiscal year (not including any receipts derived from the issu-
7 ance of bonds, notes, or other obligations of the United
8 States).".

O

96TH CONGRESS
1ST SESSION

S. J. RES. 16

To amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness.

IN THE SENATE OF THE UNITED STATES

JANUARY 18 (legislative day, JANUARY 15), 1979

Mr. WALLOP (for himself, Mr. MORGAN, and Mr. THURMOND) introduced the following joint resolution; which was read twice and referred to the Committee on the Judiciary

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JOINT RESOLUTION

To amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness.

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 hereby 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 when ratified by the legislatures of three-fourths of the several States within three years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. In exercising its powers under article I of the Constitution, and in particular its powers to lay and collect taxes, duties, imposts, and excises and to enact laws making appropriations, the Congress shall assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year and that the Federal indebtedness is eliminated.

"SEC. 2. During the first fiscal year beginning after the ratification of this article, the total receipts of the Government, not including receipts derived from the issuance of bonds, notes, or other obligations of the United States, shall not be less than 95 per centum of the total outlays, not including any outlays for the redemption of bonds, notes, or other obligations of the United States. During the second fiscal year, the total receipts shall not be less than 98 per centum of the total outlays.

"SEC. 3. During the third fiscal year beginning after the ratification of this article, and for each succeeding year thereafter, total outlays shall not exceed total receipts.

"SEC. 4. In the case of a national emergency, Congress may determine by a concurrent resolution agreed to by a rollcall vote of two-thirds of all the Members of each House of Congress, that total outlays may exceed total receipts:

1 *Provided, however,* That outlays shall never exceed receipts
2 by more than 10 per centum.

3 "SEC. 5. During the fourth fiscal year beginning after
4 the ratification of this article and for the next nineteen suc-
5 ceeding fiscal years thereafter, the total receipts of the Gov-
6 ernment shall exceed outlays by an amount equal to 5 per
7 centum of the Federal indebtedness at the beginning of the
8 fourth fiscal year. The President shall, not later than the thir-
9 tieth day after the close of the fourth fiscal year, ascertain
10 the total Federal indebtedness and transmit said total to the
11 Congress by special message.

12 "SEC. 6. Thereafter, whenever the Congress determines
13 under section 4 that an emergency exists and authorizes out-
14 lays to exceed receipts, any indebtedness ensuing therefrom
15 shall be extinguished within three fiscal years of being in-
16 curred.

17 "SEC. 7. The Congress shall have power to enforce this
18 article by appropriate legislation.".

O

96TH CONGRESS
1ST SESSION

S. J. RES. 18

Proposing an amendment to the Constitution of the United States relative to balancing of the budget and reducing the public debt.

IN THE SENATE OF THE UNITED STATES

JANUARY 18 (legislative day, JANUARY 15), 1979

Mr. THURMOND (for himself, Mr. GOLDWATER, and Mr. WALLOP) 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 relative to balancing of the budget and reducing the public debt.

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 hereby 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 when ratified by the legislatures of three-fourths of the several States:

1 "ARTICLE —

2 "SECTION 1. On or before the fifteenth day after the
3 beginning of each regular session of the Congress, the Presi-
4 dent shall transmit to the Congress a budget which shall set
5 forth his estimates of the receipts of the Government, other
6 than receipts of trust funds, during the ensuing fiscal year
7 under the laws then existing and his recommendations with
8 respect to total outlays to be made, other than outlays from
9 trust funds, during such ensuing fiscal year, which shall not
10 exceed the estimated receipts that will be available to defray
11 outlays after the application of section 2 of this article. The
12 President in transmitting such budget may recommend meas-
13 ures for raising additional revenue and his recommendations
14 for the expenditure of such additional revenue. The Congress,
15 in the exercise of its powers, shall not authorize outlays to be
16 made during such ensuing fiscal year in excess of the estimat-
17 ed receipts that will be available to defray outlays after the
18 application of section 2 of this article.

19 "SEC. 2. Beginning with the fifth fiscal year after the
20 effective date of this article, and for each of the next twenty
21 fiscal years thereafter so long as there remains any public
22 debt of the United States, 5 per centum of the receipts of the
23 Government, not including receipts of trust funds, shall be
24 available only to reduce the public debt. If during any of such
25 fiscal years the public debt is less than 5 per centum of re-

1 ceipts, so much of such receipts as is necessary to eliminate
2 the public debt shall be available only for that purpose.

3 "SEC. 3. In case of war or other grave national emer-
4 gency, the Congress upon vote of three-fourths of all the
5 Members of each House may suspend the provisions of sec-
6 tions 1 and 2 of this article for periods, either successive or
7 otherwise, not exceeding one year each.

8 "SEC. 4. This article shall take effect on the first day of
9 the calendar year next following its ratification: *Provided,*
10 *however,* That this article shall be inoperative unless it shall
11 have been ratified as an amendment to the Constitution by
12 the legislatures of three-fourths of the several States within
13 seven years from the date of its submission to the States by
14 the Congress.".

O

96TH CONGRESS
1ST SESSION

S. 13

To amend the Congressional Budget Act of 1974 to impose limits on the amounts of total budget outlays and Federal revenues set forth in concurrent resolutions on the budget, to require a two-thirds vote for agreeing to concurrent resolutions on the budget which set forth a deficit, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 15, 1979

Mr. DOLE introduced the following bill; which was read twice and referred jointly, pursuant to the order of August 4, 1977; to the Committees on the Budget and Governmental Affairs

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A BILL

To amend the Congressional Budget Act of 1974 to impose limits on the amounts of total budget outlays and Federal revenues set forth in concurrent resolutions on the budget, to require a two-thirds vote for agreeing to concurrent resolutions on the budget which set forth a deficit, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

II—E●

1 That title III of the Congressional Budget Act of 1974 (31
2 U.S.C. 1321–1332) is amended by inserting after section 301
3 the following new sections:

4 "LIMITATIONS ON TOTAL BUDGET OUTLAYS AND FEDERAL
5 REVENUES

6 "SEC. 301A. (a) PERCENTAGE OF GROSS NATIONAL
7 PRODUCT.—Beginning with the fiscal year ending on Sep-
8 tember 30, 1980, the appropriate level of total budget out-
9 lays and the appropriate level of Federal revenues set forth in
10 any concurrent resolution on the budget for a fiscal year shall
11 not exceed the following percentages of the gross national
12 product at the close of such fiscal year as projected by the
13 Director of the Congressional Budget Office and reported by
14 him, from time to time, to the Committees on the Budget of
15 the House of Representatives and the Senate:

16 "(1) 21 percent, for the fiscal year ending on Sep-
17 tember 30, 1980,

18 "(2) 19½ percent, for the fiscal year ending on
19 September 30, 1981, and

20 "(3) 18 percent, for the fiscal year ending on Sep-
21 tember 30, 1982, and for each fiscal year thereafter.

22 "(b) NATIONAL EMERGENCIES.—The provisions of
23 subsection (a) shall not apply to a concurrent resolution on
24 the budget for a fiscal year if such concurrent resolution con-
25 tains a section stating the existence of a national emergency

1 necessitating the waiver of such provisions, but on the ques-
2 tion of agreeing, in either the House of Representatives or
3 the Senate, to any such concurrent resolution, or to the
4 report of a conference committee on any such concurrent res-
5 olution, the affirmative vote of two-thirds of the Members
6 present and voting, by rollcall vote, shall be required.

7 "BUDGET DEFICITS

8 "SEC. 301A. (a) TWO-THIRDS VOTE REQUIRED.—Be-
9 ginning with the fiscal year ending on September 30, 1980, if
10 the concurrent resolution on the budget for a fiscal year re-
11 quired by section 301, and any succeeding concurrent resolu-
12 tion on the budget for the same fiscal year, sets forth a deficit
13 in the budget as appropriate, or the report of a conference
14 committee on any such concurrent resolution recommends a
15 deficit in the budget as appropriate, on the question of agree-
16 ing, in either the House of Representatives or the Senate, to
17 such concurrent resolution or such conference report the
18 affirmative vote of two-thirds of the Members present and
19 voting, by rollcall vote, shall be required.

20 "(b) NOT MORE THAN TWO DEFICITS IN 5 YEARS.—
21 Beginning with the fiscal year ending on September 30,
22 1980, it shall not be in order in either the House of Repre-
23 sentatives or the Senate to consider any concurrent resolu-
24 tion on the budget for a fiscal year which sets forth a deficit
25 as appropriate, or the report of a conference committee on

1 any concurrent resolution on the budget which recommends a
2 deficit as appropriate, if, for more than 1 fiscal year out of
3 the preceding 4 fiscal years, total budget outlays exceeded
4 total Federal revenues. In the case of a concurrent resolution
5 on the budget for a fiscal year which is being considered
6 before the close of the preceding fiscal year, the amount of
7 total budget outlays and Federal revenues for such preceding
8 fiscal year shall be based on estimates made by the Director
9 of the Congressional Budget Office and furnished by him,
10 from time to time, to the Committees on the Budget of the
11 House of Representatives and the Senate.

12 "(c) DEFICITS MUST BE MADE UP IN 2 YEARS.—If
13 for any fiscal year, beginning with the fiscal year ending on
14 September 30, 1980, total budget outlays exceed total Fed-
15 eral revenues—

16 "(1) the concurrent resolution on the budget for
17 the succeeding fiscal year (or, if necessary, the suc-
18 ceeding 2 fiscal years) shall set forth an amount of ap-
19 propriate surplus equal to the amount of such excess;
20 and

21 "(2) it shall not be in order, in either the House
22 of Representatives or the Senate, to consider any con-
23 current resolution on the budget for the second suc-
24 ceeding fiscal year unless such concurrent resolution
25 sets forth an amount of appropriate surplus equal to

1 the amount of such excess, reduced by the amount by
2 which total Federal revenues exceeded total budget
3 outlays for the first succeeding fiscal year.
4 For purposes of paragraph (2), in the case of a concurrent
5 resolution on the budget for the second succeeding fiscal year
6 which is being considered before the close of the first suc-
7 ceeding fiscal year, the amount of total budget outlays and
8 Federal revenues for the first succeeding fiscal year shall be
9 based on estimates made by the Director of the Congres-
10 sional Budget Office and furnished by him, from time to time,
11 to the Committees on the Budget of the Senate and the
12 House of Representatives.".
13 SEC. 2. Section 904(b) of the Congressional Budget Act
14 of 1974 is amended by striking out "title III or IV" and
15 inserting in lieu thereof "title III (except sections 301A and
16 301B) or title IV".

O

Calendar No. 13

96TH CONGRESS
1ST SESSION

S. J. RES. 28

Proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

IN THE SENATE OF THE UNITED STATES

JANUARY 25 (legislative day, JANUARY 15), 1979

Mr. BAYH introduced the following joint resolution; which was read the first time

FEBRUARY 22, 1979

Read the second time and placed on the calendar

JOINT RESOLUTION

Proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

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 when ratified by the

1 legislatures of three-fourths of the several States within
2 seven years from the date of its submission by the Congress:
3 "ARTICLE —
4 "SECTION 1. The people of the several States and the
5 District constituting the seat of government of the United
6 States shall elect the President and Vice President. Each
7 elector shall cast a single vote for two persons who shall
8 have consented to the joining of their names as candidates for
9 the offices of President and Vice President. No candidate
10 shall consent to the joinder of his name with that or more
11 than one other person.
12 "SEC. 2. The electors of President and Vice President
13 in each State shall have the qualifications requisite for elec-
14 tors of the most numerous branch of the State legislature,
15 except that for electors of President and Vice President the
16 legislature of any State may prescribe less restrictive resi-
17 dence qualifications and for electors of President and Vice
18 President the Congress may establish uniform residence
19 qualifications.
20 "SEC. 3. The persons joined as candidates for President
21 and Vice President having the greatest number of votes shall
22 be elected President and Vice President, if such number be at
23 least 40 per centum of the whole number of votes cast.
24 "If, after any such election, none of the persons joined
25 as candidates for President and Vice President is elected pur-

1 suant to the preceding paragraph, a runoff election shall be
2 held in which the choice of President and Vice President
3 shall be made from the two pairs of persons joined as candi-
4 dates for President and Vice President who received the
5 highest numbers of votes cast in the election. The pair of
6 persons joined as candidates for President and Vice President
7 receiving the greater number of votes in such runoff election
8 shall be elected President and Vice President.

9 "SEC. 4. The times, places, and manner of holding such
10 elections and entitlement to inclusion on the ballot shall be
11 prescribed in each State by the legislature thereof; but the
12 Congress may at any time by law make or alter such regula-
13 tions. The days for such elections shall be determined by
14 Congress and shall be uniform throughout the United States.
15 The Congress shall prescribed by law the times, places, and
16 manner in which the results of such elections shall be ascer-
17 tained and declared. No such election, other than a runoff
18 election, shall be held later than the first Tuesday after the
19 first Monday in November, and the results thereof shall be
20 declared no later than the thirtieth day after the date on
21 which the election occurs.

22 "SEC. 5. The Congress may by law provide for the case
23 of the death, inability, or withdrawal of any candidate for
24 President or Vice President before a President and Vice

President have been elected, and for the case of the death of both the President-elect and Vice-President-elect.

"SEC. 6. Sections 1 through 4 of this article shall take effect two years after the ratification of this article.

"SEC. 7. The Congress shall have power to enforce this article by appropriate legislation.".

Calendar No. 13

96TH CONGRESS
1ST SESSION

S. J. RES. 28

JOINT RESOLUTION

Proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

By Mr. BAYH

JANUARY 25 (legislative day, JANUARY 15), 1979

Read the first time

FEBRUARY 22, 1979

Read the second time and placed on the calendar

Bill Bond

JBR

96TH CONGRESS
1ST SESSION

H. J. RES. 172

To amend the Constitution of the United States to provide for balanced budgets.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 31, 1979

Mr. FINDLEY introduced the following joint resolution; which was referred to the Committee on the Judiciary

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JOINT RESOLUTION

To amend the Constitution of the United States to provide for balanced budgets.

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 hereby 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 when ratified by the legislatures of three-fourths of the several States within three years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. During the fiscal year beginning after the ratification of this article, total outlays of the Government shall not exceed total estimated receipts by more than 50 per centum of any excess of outlays over receipts in the preceding fiscal year. For each succeeding year, total outlays of the Government shall not exceed total receipts.

"SEC. 2. In the case of a national emergency, Congress may determine by a concurrent resolution agreed to by a rollcall vote of three-fourths of all the Members of each House of Congress, that total outlays may exceed total receipts.

"SEC. 3. The Congress shall have power to enforce this article by appropriate legislation.".

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96TH CONGRESS
1ST SESSION

S. J. RES. 36

Proposing an amendment to the Constitution to prohibit appropriations for a fiscal year which would cause the total appropriations to exceed estimated receipts for such fiscal year.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 7 (legislative day, JANUARY 15), 1979

Mr. HEFLIN introduced the following joint resolution; which was read twice and referred to the Committee on the Judiciary

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JOINT RESOLUTION

Proposing an amendment to the Constitution to prohibit appropriations for a fiscal year which would cause the total appropriations to exceed estimated receipts for such fiscal year.

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 hereby 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 when ratified by the legislatures of three-fourths of the several States

1 within seven years after its submission to the States for rati-
2 fication:

3 "ARTICLE —

4 "SECTION 1. The Congress shall make no appropriation
5 for any fiscal year if the resulting total of appropriations for
6 such fiscal year would exceed the total estimated receipts of
7 the United States for such fiscal year.

8 "SEC. 2. (a) In case of a national emergency (including
9 a state of war formally declared by the Congress), the provi-
10 sions of section 1 may be suspended for a fiscal year, or
11 portion thereof, by a concurrent resolution or a joint resolu-
12 tion, agreed to in each House by a rollcall vote by 55 percent
13 of all Members, with such resolution providing the period of
14 time of suspension.

15 "(b) A concurrent resolution referred to in subsection (a)
16 may be recommended by the President in a special message
17 to Congress delivered to both Houses of Congress while in
18 session on the same date. Within thirty days after the receipt
19 of such a special message, the House of Representatives shall
20 complete its action on the concurrent resolution recommend-
21 ed by the President. Within thirty days after such concurrent
22 resolution is agreed to by the House of Representatives, the
23 Senate shall complete its action on such concurrent
24 resolution.

"(c) A joint resolution referred to in subsection (a) may be introduced in either the House or Senate. If a joint resolution is sponsored by at least 25 percent of all Members of the House in which it originates then within thirty calendar days after the introduction of such a joint resolution, the House in which it originates shall complete its action on such joint resolution. Within thirty calendar days after such joint resolution sponsored by 25 percent of the Members is agreed to by the House in which it originates, the other House of Congress shall complete its action on such joint resolution.

"SEC. 3. This article shall apply with respect to the second fiscal year beginning after the ratification of this article and each succeeding fiscal year.

"SEC. 4. The Congress shall have power to enforce this article by appropriate legislation.".

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96TH CONGRESS
1ST SESSION

S. J. RES. 38

To amend the Constitution of the United States to mandate a balanced budget.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 8 (legislative day, JANUARY 15), 1979

Mr. HARRY F. BYRD, Jr. (for himself and Mr. HELMS) introduced the following joint resolution; which was read twice and referred to the Committee on the Judiciary

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JOINT RESOLUTION

To amend the Constitution of the United States to mandate 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 hereby proposed as an amendment to the Constitution of the United States, which shall be valid for all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within three years after its submission to the States for ratification:

II—E●

"ARTICLE —

"SECTION 1. In exercising its powers under article I of the Constitution, and in particular its powers to lay and collect taxes, duties, imposts, and excises and to enact laws making appropriations, the Congress shall assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year.

"SEC. 2. During the first fiscal year beginning after the ratification of this article, the total outlays of the Government, not including any outlays for the redemption of bonds, notes, or other obligations of the United States, shall not exceed total receipts, not including receipts derived from the issuance of bonds, notes, or other obligations of the United States.

"SEC. 3. In the case of a national emergency, Congress may determine by a concurrent resolution agreed to by a rollcall vote of two-thirds of all the Members of each House of Congress, that total outlays may exceed total receipts.

"SEC. 4. The Congress shall have power to enforce this article by appropriate legislation.

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~~JBR~~
① GDC
② FDC
③ Return to JBR

96TH CONGRESS
1ST SESSION

H. R. 1

To amend the Federal Election Campaign Act of 1971 to provide for financing of general election campaigns for the House of Representatives.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 15, 1979

Mr. MIKVA (for himself, Mr. ANDERSON of Illinois, Mr. FOLEY, Mr. CONABLE, Mr. UDALL, Mr. WIRTH, Mr. AKAKA, Mr. ALBOSTA, Mr. ASHLEY, Mr. ATKINSON, Mr. AUCOIN, Mr. BARNES, Mr. BEDELL, Mr. BEILENSON, Mr. BINGHAM, Mr. BLANCHARD, Mr. BOLAND, Mr. BOLLING, Mr. BONIOR, Mr. BRODHEAD, Mr. BROWN of California, Mrs. CHISHOLM, Mr. CONTE, Mr. CONYERS, Mr. CORMAN, Mr. CORRADA, Mr. D'AMOURS, Mr. DASCHLE, Mr. DELLUMS, Mr. DICKS, Mr. DIXON, Mr. DONNELLY, Mr. DOUGHERTY, Mr. DOWNEY, Mr. DRINAN, Mr. ECKHARDT, Mr. EDGAR, Mr. EDWARDS of California, Mr. FASCELL, Mr. FAZIO, Mrs. FENWICK, Mr. FISHER, Mr. FLOOD, Mr. FOLEY, Mr. FORD of Tennessee, Mr. GARCIA, Mr. GEPHARDT, Mr. GILMAN, Mr. GIAIMO, Mr. GLICKMAN, Mr. GORE, Mr. GREEN, Mr. GUDGER, Mr. HALL of Ohio, Mr. HANLEY, Mr. HARKIN, Mr. HARRIS, Mr. HEFTEL, Mr. HOLLENBECK, Mr. HOWARD, Mr. HUGHES, Mr. JACOBS, Mr. JEFFORDS, Mr. JENRETTE, Mr. KOGOVSEK, Mr. KOSTMAYER, Mr. LEACH of Iowa, Mr. LEHMAN, Mr. LELAND, Mr. LOWRY, Mr. LUKEN, Mr. LUNDINE, Mr. MCCLOSKEY, Mr. MCHUGH, Mr. MAGUIRE, Mr. MARKEY, Mr. MATSUI, Mr. MAVROULES, Mr. MAZZOLI, Mr. MILLER of California, Mr. MINETA, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOORHEAD of Pennsylvania, Mr. MOTTL, Mr. MURPHY of Pennsylvania, Mr. MURPHY of New York, Mr. NELSON, Mr. NOLAN, Mr. OBERSTAR, Mr. OTTINGER, Mr. PANETTA, Mr. PATTERSON, Mr. PEASE, Mr. PEPPER, Mr. PEYSER, Mr. PREYER, Mr. PRICE, Mr. PRITCHARD, Mr. RANGEL, Mr. RATCHFORD, Mr. REUSS, Mr. RICHMOND, Mr. RINALDO, Mr. RODINO, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SABO, Mr. SAWYER, Mr. SCHEUER, Mrs. SCHROEDER, Mr. SEIBERLING, Mr. SHANNON, Mr. SIMON, Mr. SOLARZ, Mrs. SPELLMAN, Mr. ST GERMAIN, Mr. STOCKMAN, Mr. STUDDS, Mr. SWIFT, Mr. TRAXLER, Mr. VAN DEERLIN, Mr. VANIK, Mr. VENTO, Mr.

WALGREN, Mr. WEAVER, Mr. WEISS, Mr. WILLIAMS of Montana, Mr. WOLPE, Mr. WON PAT, and Mr. YATES), introduced the following bill; which was referred to the Committee on House Administration

---

A BILL

To amend the Federal Election Campaign Act of 1971 to provide for financing of general election campaigns for the House of Representatives.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Federal Election Campaign Act of 1971 (herein-
4 after in this Act referred to as the "Act") is amended by
5 adding at the end thereof the following new title:

6 "TITLE V—FINANCING OR GENERAL ELECTION
7 CAMPAIGNS FOR THE HOUSE OF REPRE-
8 SENTATIVES

9 "DEFINITIONS

10 "SEC. 501. When used in this title—

11 "(1) The term 'Account' means the House of
12 Representatives Campaign Account established in sec-
13 tion 507(a).

1 "(2) The term 'authorized committee' means, with
2 respect to any candidate for election to the office of
3 Representative in, or Delegate or Resident Commis-
4 sioner to, the Congress, any political committee which
5 is authorized by such candidate to accept contributions
6 or make expenditures on behalf of such candidate to
7 further the election of such candidate.

8 "(3) The term 'eligible candidate' means a candi-
9 date who is eligible under section 502 for payments
10 under sction 504.

11 "(4) The term 'election' means any regularly
12 schedules, special, or runoff election which directly re-
13 sults in the election of a person to the office of Repre-
14 sentative in, or Delegate or Resident Commissioner to,
15 the Congress.

16 "(5) The term 'immediate family' means a candi-
17 date's spouse, and any child, parent, grandparent,
18 brother, half-brother, sister, or half-sister of the candi-
19 date, and the spouses of such individuals.

20 "ELIGIBILITY TO RECEIVE PAYMENTS

21 "SEC. 502. (a) To be eligible to receive payments under
22 section 507, a candidate shall, with respect to an election, in

1 such form and manner as the Commission may prescribe by
2 regulation, and within 10 days after such candidate qualifies
3 for the election ballot under the law of the State involved or
4 by August 1, 1980, whichever is later—

5 "(1) agree—

6 "(A) to furnish campaign records, evidence of
7 contributions and expenditures, and other appro-
8 priate information to the Commission;

9 "(B) to cooperate in the case of any audit
10 and examination conducted by the Commission
11 under section 508;

12 "(C) that such candidate and his authorized
13 committees will not accept any contribution in
14 violation of section 320(a);

15 "(D) that such candidate and his authorized
16 committees will not make any expenditure which
17 exceeds the limitation established in section
18 320(b)(2); and

19 "(E) that such candidate will comply with
20 the limitation on expenditures of personal funds
21 established in section 503;

22 "(2) certify to the Commission that such candidate
23 and the authorized committees of such candidate have
24 received contributions aggregating not less than
25 $1,000; and

1 "(3) apply to the Commission for the initial
2 matching payment of $1,000 referred to in section
3 504(a)(1)(A).
4 "(b) For purposes of subsection (a)(2) and section
5 504(a), in determining the amount of contributions received
6 by a candidate and his authorized committees—
7 "(1) no contribution received as a subscription,
8 loan, advance, or deposit, or as a contribution of prod-
9 ucts or services, shall be taken into account;
10 "(2) no contribution received from any person
11 other than an individual shall be taken into account,
12 and no contribution received from an individual shall be
13 taken into account to the extent that such contribution
14 exceeds $100 when added to the amount of all other
15 contributions made by such individual to or for the
16 benefit of such candidate during the applicable period
17 specified in paragraph (3); and
18 "(3) in the case of a general election, no contribu-
19 tion received before January 1 of the year in which
20 such election is held, or received after the date on
21 which such election is held shall be taken into account,
22 and in the case of a special or runoff election, no con-
23 tribution received more than 90 days before such elec-
24 tion or received after the date on which such election
25 is held shall be taken into account.

1 "LIMITATION ON EXPENDITURES OF PERSONAL FUNDS

2 "SEC. 503. No candidate who is eligible under section
3 502 to receive payments under section 507 shall make ex-
4 penditures from the personal funds of such candidate, or the
5 funds of any member of the immediate family of such candi-
6 date, aggregating in excess of $25,000, with respect to the
7 election involved.

8 "ENTITLEMENT OF ELIGIBLE CANDIDATES TO MATCHING
9 PAYMENTS

10 "SEC. 504. (a)(1) Subject to section 502(b), any eligible
11 candidate shall be entitled to—

12 "(A) an initial payment under section 507 of
13 $1,000 to match the contributions certified under sec-
14 tion 502(a)(2);

15 "(B) additional matching payments not to exceed
16 40 percent of the expenditure limitation applicable to
17 such candidate under section 320(b), to be paid in—

18 "(i) multiples of $10,000 under section 507,
19 if, with respect to each such payment, the eligible
20 candidate and his authorized committees have re-
21 ceived contributions aggregating $10,000, which
22 have not been matched under this section; and

23 "(ii) a final matching payment under section
24 507 (designated as such by the candidate in-
25 volved) of the balance of the entitlement of the

1 candidate which has not been matched under this
2 section; and
3 "(C) in the case of an eligible candidate for whom
4 the limitation on expenditures established in section
5 320(b) is made inapplicable under section 505(a), addi-
6 tional matching payments not to exceed 40 percent of
7 the expenditure limitation applicable to such candidate
8 under section 320(b), to be paid in the manner pre-
9 scribed in subparagraph (B), except that any contribu-
10 tion which is received after the date on which the limi-
11 tation on expenditures is made inapplicable shall be
12 matchable under this subparagraph, whether or not the
13 individual making such contribution has made any con-
14 tribution that has been matched under subparagraph
15 (A) or subparagraph (B).
16 "(2) No payment shall be made under paragraph (1)(B)
17 or paragraph (1)(C) with respect to an election unless—
18 "(A) at least two candidates have qualified for the
19 election ballot under the law of the State involved; and
20 "(B) the candidate seeking such payment certifies
21 to the Commission that the conditions for such pay-
22 ment described in paragraph (1) and in subparagraph
23 (A) have been met.
24 "(3) No contribution received from any individual who
25 resides in a State other than the State in which the election

1 is held shall be matched under paragraph (1)(B) to the extent
2 that such contribution when added to all other contributions
3 received from such individuals exceeds 20 percent of the ag-
4 gregate of contributions otherwise matchable under para-
5 graph (1)(B).

6 "(4) The aggregate payments to all candidates in an
7 election shall not exceed three times the maximum amount
8 payable in matching funds under paragraph (1)(B).

9 "(5) All payments received under this section shall be
10 deposited at a national or State bank in a separate checking
11 account which shall contain only funds so received. No ex-
12 penditures of funds received under this section shall be made
13 except by checks drawn on such account.

14 "(b) Payments received under this section shall be used
15 only to defray election campaign expenses incurred with re-
16 spect to the period beginning on the day after the date on
17 which the candidate qualifies for the election ballot under the
18 law of the State involved and ending on the date of the elec-
19 tion, or the date on which the candidate withdraws from the
20 campaign or otherwise ceases actively to seek election,
21 whichever occurs first. Such payments shall not be used (1)
22 to repay any loan to any person, or (2) to make any pay-
23 ments, directly or indirectly, to such candidate or to any
24 member of the immediate family of such candidate.

1 "INAPPLICABILITY AND SUSPENSION OF EXPENDITURE
2 LIMITATION

3 "SEC. 505. (a)(1) If any candidate who is not eligible to
4 receive payments under section 502 makes expenditures from
5 his personal funds or from the personal funds of any member
6 of the immediate family of such candidate aggregating in
7 excess of $25,000, receives total contributions aggregating in
8 excess of $75,000, or makes total expenditures aggregating
9 in excess of $75,000, the limitation on expenditures estab-
10 lished in section 320(b)(2) shall not apply to any eligible can-
11 didate in the election involved.

12 "(2) Any candidate who is not eligible to receive pay-
13 ments under section 502, and who exceed any amount speci-
14 fied in paragraph (1) relating to personal expenditures, total
15 contributions, or total expenditures, shall so notify the Com-
16 mission not later than 48 hours after the amount involved is
17 exceeded. The Commission may determine upon its own ini-
18 tiative, or upon the request of any candidate in an election,
19 whether any such amount has been exceeded.

20 "(b)(1) If, with respect to an election, independent ex-
21 penditures, as defined in section 301(p), are made, or costs of
22 communication, required to be reported under section
23 301(f)(4)(C), are incurred, aggregating more than $50,000,
24 the Commission shall, with respect to such election, suspend
25 the limitation on expenditures established in section 320(b)(2)

1 at the request of any candidate in such election who is eligi-
2 ble to receive payments under section 502, and who has re-
3 ceived the benefit of no more than one-third of such inde-
4 pendent expenditures or costs of communication.

5 "(2) Any person who makes independent expenditures,
6 as defined in section 301(p), or incurs costs of communica-
7 tion, required to be reported under section 301(f)(4)(C), shall
8 notify the Commission not later than 48 hours after such
9 person first makes such independent expenditures or incurs
10 such costs of communication aggregating more than $5,000
11 and thereafter shall so notify the Commission each time such
12 person makes any additional independent expenditure, or
13 incurs any additional such cost of communication, aggregat-
14 ing $2,500 or more.

15 "CERTIFICATION BY COMMISSION

16 "SEC. 506. (a) No later than 48 hours after a candidate
17 files a request with the Commission to receive payments
18 under section 504, the Commission shall certify such eligibil-
19 ity to the Secretary of the Treasury (hereinafter in this title
20 referred to as the 'Secretary') for payment in full of the
21 amount to which such candidate is entitled. The request re-
22 ferred to in the preceding sentence shall contain—

23 "(1) such information, and be made in accordance
24 with such procedures, as the Commission may provide
25 by regulation; and

1 "(2) a verification signed by the candidate and the
2 treasurer of the principal campaign committee of such
3 candidate stating that the information furnished in sup-
4 port of the request, to the best of their knowledge, is
5 correct and fully satisfies the requirements of this title.
6 "(b) Initial certifications by the Commission under sub-
7 section (a) and all determinations made by the Commission
8 under this title, shall be final and conclusive, except to the
9 extent that they are subject to examination and audit by the
10 Commission under section 508 and judicial review under sec-
11 tion 511.
12 "(c) Any candidate who submits false information to the
13 Commission under this section shall be subject to section
14 329.
15 "ESTABLISHMENT OF ACCOUNT; PAYMENTS TO ELIGIBLE
16 CANDIDATES
17 "SEC. 507. (a) The Secretary shall maintain in the
18 Presidential Election Campaign Fund, established by section
19 9006(a) of the Internal Revenue Code of 1954, in addition to
20 any other accounts maintained under such section, a separate
21 account to be known as the House of Representatives Elec-
22 tion Campaign Account. The Secretary shall deposit, into the
23 Account, for use by candidates eligible to receive payments
24 under this title, the amount available after the Secretary de-
25 termines that the amounts to be available for the fund will be

1 adequate to meet the payments under subtitle H of such
2 Code (relating to financing of presidential election campaigns)
3 except that, in a biennial general election year, other than a
4 presidential election year, the Secretary shall deposit into the
5 Account no later than May 15 for use by candidates eligible
6 to receive payments under this title, the amount available
7 after the Secretary determines that the total amount to be
8 available in the fund by the end of such year will equal 60
9 percent of the payments made during the past presidential
10 election under such subtitle. With respect to candidates who
11 are eligible for payments in 1980, the May 15 deadline shall
12 not apply and the Secretary shall make available to the Ac-
13 count from the Presidential Election Campaign Fund such
14 amounts as may be necessary, and shall, from the moneys
15 paid into the fund in 1981 and 1982, reimburse the fund for
16 the amounts made available in 1980 to the Account. The
17 moneys in the Account shall remain available without fiscal
18 year limitation.

19 (b) Not later than May 15 of each biennial general elec-
20 tion year except 1980, the Secretary shall notify the Com-
21 mission of the amount to be available in the Account for pay-
22 ments with respect to such year. Within 30 days after such
23 notification, the Commission shall determine whether such
24 amount will be sufficient to satisfy the estimated full entitle-
25 ments of eligible candidates for such year. If the Commission

1 determines that such amount will not be sufficient, the Com-
2 mission shall transmit to the Secretary, not later than June
3 15 of such year, a formula for the ratable adjustment of such
4 entitlements. The Commission shall make such changes in
5 the ratable adjustment formula as may be necessary during
6 the year and shall notify each eligible candidate by registered
7 mail of any adjustment in entitlement of such candidate under
8 this subsection.

9 "(c) Upon receipt of a certification from the Commission
10 under section 506, but not earlier than the date on which the
11 candidate involved has qualified under the law of the State
12 involved to have his name on the election ballot in a general
13 election or the 60th day before a special or runoff election,
14 the Secretary shall pay the amount certified by the Commis-
15 sion to the candidate, subject to any ratable adjustment for-
16 mula, established under subsection (b).

17 "EXAMINATION AND AUDITS; REPAYMENTS

18 "SEC. 508. (a) (1) After each general election, the Com-
19 mission shall conduct an examination and audit of the cam-
20 paign accounts of 10 percent of the eligible candidates as
21 designated by the Commission through the use of an appro-
22 priate statistical method of random selection to determine
23 whether the contributions certified for matching payments
24 and the expenditures made from such matching payments
25 complied with this title.

1 "(2) After each special election or runoff election the
2 Commission shall conduct such an examination and audit of
3 the campaign accounts of each eligible candidate in such elec-
4 tion.

5 "(3) Before any general election, special election, or
6 runoff election, the Commission may conduct such an exami-
7 nation and audit of the campaign accounts of any eligible
8 candidate in such election if the Commission, by an affirma-
9 tive vote of 4 members, determines that there exists reason
10 to believe that such candidate has violated any provision of
11 this title.

12 "(b)(1)(A) If the Commission determines that any por-
13 tion of the payments made to an eligible candidate under sec-
14 tion 507 was in excess of the aggregate amount of the pay-
15 ments to which such candidate was entitled, the Commission
16 shall so notify such candidate, and such candidate shall pay
17 to the Secretary an amount equal to such excess amount.

18 "(B) If the Commission determines that any portion of
19 the payments made to a candidate under section 507 was not
20 used in compliance with section 504(b), the Commission shall
21 so notify such candidate and such candidate shall pay to the
22 Secretary an amount equal to 200 percent of the amount of
23 the misused funds.

24 "(C) Any amount received by an eligible candidate may
25 be retained for a period not exceeding 60 days after the date

1 of the election for the liquidation of all obligations to pay
2 election campaign expenses incurred during the period speci-
3 fied in section 504(b). At the end of such 60-day period that
4 portion of any unexpended balance remaining in the accounts
5 of the candidate's authorized committees which bears the
6 same ratio to the total unexpended balance as the total
7 amount received from the Account bears to the total of all
8 deposits made into the accounts of the candidate's authorized
9 committees shall be promptly repaid to the Secretary.

10 "(c) All repayments received by the Secretary under
11 subsection (b) shall be deposited in the Account.

12 "REPORTS TO CONGRESS

13 "SEC. 509. Not more than 6 months after the end of
14 each calendar year, the Commission shall submit to the
15 House of Representatives a report setting forth for such cal-
16 endar year—

17 "(1) the expenditures made by eligible candidates,
18 and their authorized committees, receiving payments
19 under section 507;

20 "(2) the amounts certified by the Commission
21 under section 506 with respect to such candidates;

22 "(3) the amounts of repayments, if any, required
23 from such candidates under section 508, and the rea-
24 sons for each payment required; and

1 "(4) the balance in (A) the Presidential Election
2 Campaign Fund, and (B) each account maintained in
3 such fund, at the end of such calendar year.
4 Each report submitted under this section shall be printed as a
5 House document.

6 "PARTICIPATION BY COMMISSION IN JUDICIAL
7 PROCEEDINGS

8 "SEC. 510. (a) The Commission may appear in and
9 defend against any action filed under this title, either by at-
10 torneys employed in its office or by counsel whom it may
11 appoint without regard to the provisons of title 5, United
12 States Code, concerning appointments in the competitive
13 service, and whose compensation the Commission may fix
14 without regard to the provisions of chapter 51 and sub-
15 chapter III of chapter 53 of such title.

16 "(b) The Commission may appear, through attorneys
17 and counsel described in subsection (a), in the district courts
18 of the United States to seek recovery of any amounts deter-
19 mined to be payable to the Secretary as a result of any exam-
20 ination and audit made under section 508.

21 "(c) The Commission may petition, through attorneys
22 and counsel described in subsection (a), the courts of the
23 United States for declaratory or injunctive relief concerning
24 any civil matter arising under this title. Upon application of
25 the Commission, an action brought under this subsection

1 shall be heard and determined by a court of 3 judges in ac-
2 cordance with the provisions of section 2284 of title 28,
3 United States Code, and any appeal from the determination
4 of such court shall lie to the Supreme Court. It shall be the
5 duty of the judges designated to hear the case to assign the
6 case for hearing at the earliest practicable date, to participate
7 in the hearing and determination thereof, and to cause the
8 case to be in every way expedited.

9 "(d) The Commission may, on behalf of the United
10 States, appeal from, and petition the Supreme Court of the
11 United States for certiorari to review, judgments or decrees
12 entered with respect to actions in which the Commission ap-
13 pears under the authority provided in this section.

14 "JUDICIAL REVIEW

15 "SEC. 511. (a) Any certification, determination, or other
16 action by the Commission made or taken under this title shall
17 be subject to review by the United States Court of Appeals
18 for the District of Columbia upon petition filed in such court
19 by any interested person. Any petition under this section
20 shall be filed within 30 days after such certification, determi-
21 nation, or other action involved.

22 "(b) (1) The Commission, the national committee of any
23 political party, and any individual eligible to vote for any
24 Representative in, or Delegate or Resident Commissioner to,
25 the Congress, are authorized to institute any action under

1 this section, including an action for declaratory judgment or
2 injunctive relief, as may be appropriate to implement or con-
3 strue any provision of this title.

4 "(2) The district courts of the United States shall have
5 jurisdiction of proceedings instituted under this subsection
6 and shall exercise such jurisdiction without regard to whether
7 a person asserting rights under the provisions of this subsec-
8 tion shall have exhausted administrative or other remedies
9 provided by law. Such proceedings shall be heard and deter-
10 mined by a court of 3 judges in accordance with the provi-
11 sions of section 2284 of title 28, United States Code, and any
12 appeal shall lie to the Supreme Court. It shall be the duty of
13 the judges designated to hear the case to assign the case for
14 hearing at the earliest practicable date, to participate in the
15 hearing and determination thereof, and to cause the case to
16 be in every way expedited.

17 "PARTIAL INVALIDITY

18 "SEC. 512. If any provision of this title, or the applica-
19 tion thereof to any person or circumstance, is held invalid,
20 the validity of the remainder of the title and the application of
21 such provision to other persons and circumstances shall not
22 be affected thereby.

1 "AUTHORIZATION OF APPROPRIATIONS

2 "SEC. 513. There are authorized to be appropriated to
3 the Commission, for the purpose of carrying out its functions
4 under this title, such sums as may be necessary.".

5 SEC. 2. (a) Section 320(b) of the Act is amended by
6 redesignating paragraph (2) as paragraph (3) and inserting
7 after paragraph (1) the following new paragraph:

8 "(2) Except as otherwise provided in section 505(b)(1),
9 no candidate for the office of Representative in, or Delegate
10 or Resident Commissioner to, the Congress who establishes
11 eligibility under section 502 to receive payments from the
12 Secretary under section 507 may make expenditures in
13 excess of $150,000, in the case of a campaign for election to
14 such office.".

15 (b) Section 320(c)(2)(B) of the Act is amended by insert-
16 ing after "calendar year 1974" the following: ", except that,
17 with respect to the limitation established in subsection (b)(2),
18 such term means the calendar year 1978".

19 (c) Section 301 of the Act is amended by striking out
20 "SEC. 301. When used in this title and title IV of this
21 Act—" and inserting in lieu thereof "SEC. 301. Except as
22 provided in section 501, when used in this Act—".

23 (d) Section 301(f)(4) of the Act is amended by—

24 (1) striking out "or" at the end of clause (J);

1 (2) inserting "or" after the semicolon at the end
2 of clause (K); and
3 (3) adding at the end thereof the following new
4 matter:
5 (L) with respect to an eligible candidate
6 within the meaning of section 501(3), any
7 costs (not in excess of 10 percent of the ex-
8 penditure limitation applicable to such candi-
9 date under section 320(b)) incurred by such
10 candidate in connection with one distribution
11 of campaign material through the United
12 States mail to recipients in the congressional
13 district involved at least two weeks before
14 the election involved, but all such costs shall
15 be reported in accordance with section
16 304(b).".
17 SEC. 3. The amendments made by this Act shall apply
18 to any election to the office of Representative in, or Delegate
19 or Resident Commissioner to, the Congress held after the
20 date of the enactment of this Act, except that no payments
21 under this title shall be distributed under section 507 prior to
22 August 1, 1980.

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BAW

the national tax-limitation committee

7330 Morningside Drive
Loomis, CA 95650
(916) 791-1193

January 30, 1979

In July 1978, The National Tax Limitation Committee asked several distinguished Americans to join together in an effort to prepare an Amendment to the Constitution of the United States that would limit spending by the Government of the United States and get at the root cause of inflation.

The Committee has prepared and now offers this Constitutional Spending Limit Amendment to interested Members of Congress and other citizens. We believe that this Amendment design offers a responsible method for dealing with our fiscal and monetary problems.

Wm F. Rickenbacker

WILLIAM F. RICKENBACKER,
Chairman

LEWIS K. UHLER,
President

January 30, 1979
Washington, D. C.

A PROPOSED CONSTITUTIONAL AMENDMENT TO LIMIT FEDERAL SPENDING

Prepared by the Federal Amendment Drafting Committee
W. C. Stubblebine, Chairman
Convened by The National Tax Limitation Committee
William F. Rickenbacker, Chairman
Lewis K. Uhler, President

Section 1. To protect the people against excessive governmental burdens and to promote sound fiscal and monetary policies, total outlays of the Government of the United States shall be limited.

(a) Total outlays in any fiscal year shall not increase by a percentage greater than the percentage increase in nominal gross national product in the last calendar year ending prior to the beginning of said fiscal year. Total outlays shall include budget and off-budget outlays, and exclude redemptions of the public debt and emergency outlays.

(b) If inflation for the last calendar year ending prior to the beginning of any fiscal year is more than three per cent, the permissible percentage increase in total outlays for that fiscal year shall be reduced by one-fourth of the excess of inflation over three per cent. Inflation shall be measured by the difference between the percentage increase in nominal gross national product and the percentage increase in real gross national product.

Section 2. When, for any fiscal year, total revenues received by the Government of the United States exceed total outlays, the surplus shall be used to reduce the public debt of the United States until such debt is eliminated.

Section 3. Following declaration of an emergency by the President, Congress may authorize, by a two-thirds vote of both Houses, a specified amount of emergency outlays in excess of the limit for the current fiscal year.

Section 4. The limit on total outlays may be changed by a specified amount by a three-fourths vote of both Houses of Congress when approved by the Legislatures of a majority of the several States. The change shall become effective for the fiscal year following approval.

Section 5. For each of the first six fiscal years after ratification of this article, total grants to States and local governments shall not be a smaller fraction of total outlays than in the three fiscal years prior to the ratification of this article. Thereafter, if grants are less than that fraction of total outlays, the limit on total outlays shall be decreased by an equivalent amount.

Section 6. The Government of the United States shall not require, directly or indirectly, that States or local governments engage in additional or expanded activities without compensation equal to the necessary additional costs.

Section 7. This article may be enforced by one or more members of the Congress in an action brought in the United States District Court for the District of Columbia, and by no other persons. The action shall name as defendant the Treasurer of the United States, who shall have authority over outlays by any unit or agency of the Government of the United States when required by a court order enforcing the provisions of this article. The order of the court shall not specify the particular outlays to be made or reduced. Changes in outlays necessary to comply with the order of the court shall be made no later than the end of the third full fiscal year following the court order.

January 30, 1979
Washington, D.C.

A PROPOSED CONSTITUTIONAL AMENDMENT TO LIMIT FEDERAL SPENDING

Prepared by the Federal Amendment Drafting Committee
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DISCUSSION

SECTION 1. THE BASIC LIMIT.

The basic limit on federal outlays has two parts. One part applies whenever inflation is three per cent or less, the other part whenever inflation is more than three per cent.

Inflation Three Per Cent or Less. If inflation is three per cent or less, the Federal Government cannot increase its share of gross national product. If, for example, gross national product increases by five per cent from one year to the next, then government spending cannot increase by more than five per cent. Even if government spending increases by the maximum allowed -- in this case five per cent -- its product merely remains constant.

An important feature of the limit is that it is a linked limit in which each year's limit depends on actual spending of the preceding year. This is the mechanism that permits the Congress gradually to reduce the government's share of the gross national product.

If, in any year, the Congress spends at a slower rate than the limit allows, that sets a new and lower base for future years.

Another important feature is the time difference between the fiscal year and the calendar year. Gross national product for any year is not available until some months after the end of the year. The difference in timing makes it possible to calculate the limit in ample time for the necessary budget process. For example, fiscal year 1980 starts in October 1979. The spending limit for that fiscal year would be based on the rate of economic growth during 1978. These data become available early in 1979, just at the moment the federal budgeting process for fiscal year 1980 is getting under way.

The time difference also has a countercyclical advantage. Gross national product increases most rapidly during a boom. This amendment permits the most rapid increase in government spending when the economy is generally over the boom and in a recession -- i.e., 21 months beyond the boom peak (21 months is the interval between the start of a calendar year and the start of the succeeding fiscal year). And gross national product increases most slowly during a recession. That brings about a slower increase in government spending

21 months later, when the economy is likely to be past the recession and entering the most rapid phase of the ensuing recovery.

Government spending is defined in this amendment as "total outlays" in order to cover as fully as possible all spending by the government other than debt redemption. Because emergency outlays are excluded, the emergency provision in Section 3 cannot be used to raise the limit for years following the emergency period.

Inflation More Than Three Per Cent. If inflation is more than three per cent, spending still may rise, but the rate of growth will not be quite so fast as the rate of growth in nominal gross national product. Congress, therefore, will have a strong incentive to reduce inflation, to hold down spending, and to cut any deficit. The three per cent cushion provides ample room for unavoidable zigzags in inflation from year to year, and for errors in statistical measurement. At the same time, the inflation penalty in this section establishes a strong pressure for responsible management of the federal budget while not depriving Congress of the necessary flexibility in adjusting to changing conditions. A reduction in the government's share of gross national product should be achieved gradually, to permit an orderly adjustment by employees,

employers, consumers, and investors. This is why the spending limit is reduced gently -- but steadily. Also: the higher the inflation rate, the greater the incentive for Congress to reduce inflation. For example, if real gross national product goes up by four per cent per year and the nominal gross national product goes up by 11 per cent, inflation is seven per cent. The permitted maximum increase in government spending would be ten per cent instead of 11 per cent -- a reduction of one-tenth. If nominal gross national product goes up by 15 per cent, inflation is 11 per cent. The permitted maximum increase in government spending would be 13 per cent, instead of 15 per cent, a reduction of slightly more than one-eighth.

For simplicity, inflation is defined as the difference between the percentage increase in the current dollar value of the gross national product and the percentage increase in the real gross national product. This is arithmetically slightly different from the usual definition of inflation as the rate of change of the implicit price index. (See "Appendix A".)

SECTION 2. HANDLING OF SURPLUS.

This section simply makes explicit that any surplus must be used to reduce the debt of the United States. The section is fully consistent with current practices

regarding management of the public debt. Once the debt is eliminated, this would permit further reductions in taxes.

SECTION 3. EMERGENCY PROVISION.

Any workable limitation on spending must provide for emergency situations, of which the obvious and the most extreme would be the outbreak of a major war. This amendment provides for such situations by building on present practice, under which the President declares an emergency and the Congress may then authorize expenditures in excess of the limit to meet the emergency. In order to deter the use of this provision to thwart the intent of the amendment, the amount of emergency outlays must be specified, the authority must expire at the end of each fiscal year and must be renewed if the need for emergency funds continues, and the emergency outlays may not be included in the base for calculating the spending limit for future years.

SECTION 4. PERMANENT CHANGE.

Because of the year-to-year "linkage" in the limit mechanism, a change in the limit for any single year will affect subsequent years. Such a change should be made only when

it has widespread public support. This section, therefore, requires a three-fourths vote of both Houses of Congress plus approval by the Legislatures of a majority of the States.

Though a "change" may, of course, be either an increase or a decrease, this section has to do primarily with increases. The reason is that a decrease for any current fiscal year can be achieved by a simple majority of both Houses of Congress voting total outlays below the permissible limit. However, this section makes it possible for a Congress to ask the States to approve decreases that will apply to one or more future years.

SECTION 5. PROTECTION OF GRANTS TO STATES AND LOCAL GOVERNMENTS.

This section guarantees State and local governments their current share of federal spending for six years. Thereafter, it permits reductions in their share to take place but only if that reduces total federal spending dollar for dollar. It thus avoids any incentive for further concentration of spending in Washington at the expense of the States and local units of government.

SECTION 6. PROTECTION OF STATES AND LOCAL GOVERNMENTS AGAINST IMPOSED COSTS.

This section prevents the Federal Government from imposing costs on State and local governments without compensating them. This closes a loophole by which the limit on federal spending might be circumvented.

SECTION 7. METHOD OF ENFORCEMENT.

The public needs assurance that the spending limit will be enforced. The Judiciary is the established agency of the Government for enforcing the Constitution. At the same time, it is desirable not to abuse the courts with a multitude of nuisance suits. This section allows only Members of Congress to have standing to sue and concentrates these suits in the District of Columbia. Though citizens cannot sue individually, as would be desirable in principle, any of their representatives has standing to do so.

The Treasurer of the United States already is entrusted with the legal responsibility for disbursing federal monies. The Treasurer is now personally responsible for debts exceeding the debt limit. Hence, the Treasurer

clearly seems to be the appropriate officer to be named as a defendant and to be charged with the responsibility of carrying out any resulting court order.

This section prohibits the court from specifying the particular outlays to be made or reduced. Such fiscal management is and should continue to be a legislative and executive responsibility. Congress may legislate which outlays the Treasurer shall reduce and by how much. Permitting any correction to be made over a three-year period provides more than enough flexibility.

APPENDIX A

For example, if the dollar value of gross national product goes up by 11 per cent and real gross national product goes up by four per cent, the rate of change of the implicit price index would be calculated by dividing 1.11 by 1.04, giving an inflation rate of 6.73 per cent, rather than subtracting 1.04 from 1.11, giving an inflation rate of seven per cent. As this example indicates, the two measures of inflation differ by a percentage equal to the rate of real growth. For four per cent real growth, the inflation rate of three per cent used in the amendment amounts to a rate of change of the implicit price index of 2.88 per cent.

SIMULATION OF OPERATION OF LIMIT
OVER TEN-YEAR PERIOD WITH STABLE INFLATION
OF 8%

Assumptions:
Growth in real gross national product 3.0%
Growth in nominal gross national product 11%
Spending assumed always equal to outlay limit

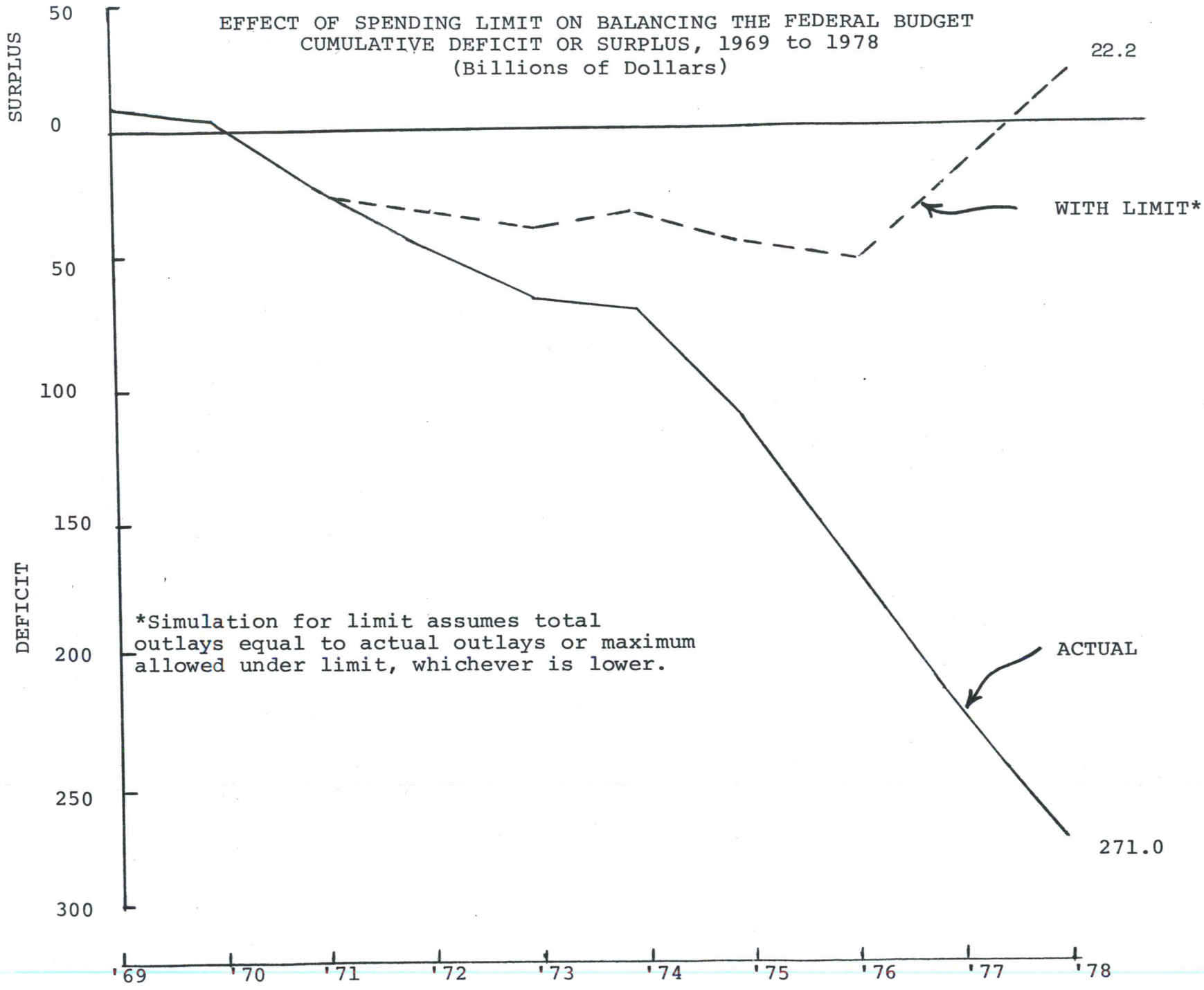
	PERCENTAGE INCREASE		
	Nominal GNP	Spending Limit	Spending as Per Cent of GNP
1	11.0%	9.75%	21.3%
2	11.0%	9.75%	21.1%
3	11.0%	9.75%	20.9%
4	11.0%	9.75%	20.6%
5	11.0%	9.75%	20.4%
6	11.0%	9.75%	20.2%
7	11.0%	9.75%	19.9%
8	11.0%	9.75%	19.7%
9	11.0%	9.75%	19.5%
10	11.0%	9.75%	19.3%

SIMULATION OF OPERATION OF PROPOSED LIMITATION FOR 1969 TO 1978

(Simulation for limit assumes total outlays equal to actual outlays or maximum allowed under limit, whichever is lower; assumes receipts equal to actual receipts; assumes gross national product equal to actual gross national product.)

	TOTAL OUTLAYS						DEFICIT	
	Billions of $		Percentage Increase		Per Cent of GNP		Billions of $	
	Actual	Limit	Actual	Limit	Actual	Limit	Actual	Limit
1969	$184.5	$184.5	3.2%	3.2%	20.4%	20.4%	-$ 3.3*	-$ 3.3*
1970	196.6	196.6	6.6	6.6	20.5	20.5	2.9	2.9
1971	211.4	210.8	7.5	7.2	20.7	20.7	23.0	22.4
1972	232.0	220.1	9.7	4.4	20.9	19.8	23.4	11.5
1973	247.1	237.0	6.5	7.7	20.0	19.2	14.9	4.8
1974	271.1	260.2	9.7	9.8	19.9	19.1	4.7	- 4.7*
1975	334.2	288.4	23.3	10.8	22.9	19.8	45.2	7.4
1976	373.7	307.1	11.8	6.5	23.1	18.9	66.4	7.1
1977	411.4	327.4	10.1	6.6	22.5	17.9	45.0	-30.4*
1978	461.2	362.1	12.1	10.6	22.6	17.7	48.8	-39.9*
					Cumulative Deficit 1969-78		271.0	-22.2

*Surplus


EFFECT OF SPENDING LIMIT ON BALANCING THE FEDERAL BUDGET
CUMULATIVE DEFICIT OR SURPLUS, 1969 to 1978
(Billions of Dollars)
SURPLUS
DEFICIT
50
0
50
100
150
200
250
300
22.2
WITH LIMIT*
ACTUAL
271.0
*Simulation for limit assumes total outlays equal to actual outlays or maximum allowed under limit, whichever is lower.
'69
'70
'71
'72
'73
'74
'75
'76
'77
'78

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