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PUBLIC HEARING

before

ASSEMBLY STATE GOVERNMENT COMMITTEE

ASSEMBLY CONCURRENT RESOLUTION NO. 54

(Calls for a convention to propose an amendment to the U.S. Constitution requiring a balanced Federal budget and a limit on Federal spending increase.)

April 13, 1987
Room 418
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Richard A. Zimmer, Chairman
Assemblywoman Marion Crecco, Vice Chairwoman
Assemblyman Robert J. Martin
Assemblyman Joseph Charles, Jr.
Assemblyman Joseph L. Bocchini, Jr.

ALSO PRESENT:

Donald S. Margeson
Office of Legislative Services
Aide, Assembly State Government Committee

* * * * *

Hearing Recorded and Transcribed by
Office of Legislative Services
Public Information Office
Hearing Unit
State House Annex
CN 068
Trenton, New Jersey 08625

UNITED STATES DEPARTMENT OF COMMERCE

OFFICE OF THE SECRETARY

COMMERCE DEPARTMENT

Washington, D. C.

1917

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New Jersey State Legislature

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATE HOUSE ANNEX, CN-068
TRENTON, NEW JERSEY 08625
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JOSEPH CHARLES, JR.

MEMORANDUM

April 6, 1987

TO: MEMBERS OF THE COMMITTEE
FROM: Assemblyman Richard A. Zimmer, Chairperson
SUBJECT: Committee Meeting - April 13, 1987

(Address comments and questions to Donald S. Margeson, Committee Aide)

The Assembly State Government Committee will hold a committee meeting on Monday, April 13, 1987 at 10:00 A.M. in Room 334 of the State House Annex in Trenton, concerning the following legislation:

ACR-54
Zimmer

Calls for a convention to propose an amendment to the U.S. Constitution requiring a balanced federal budget and a limit on federal spending increase.

To accommodate those individuals and organizations which have expressed interest in this resolution, the Committee will open the meeting by receiving testimony from the public; a transcript of this testimony will be taken. Anyone wishing to address the Committee concerning the legislation at the committee meeting may contact Donald S. Margeson, Aide to the Committee, at (609) 292-9106.

STATE OF TEXAS
GOVERNMENT COMMITTEE
ON
EDUCATION

REPORT

1957

COMMISSION ON

EDUCATION

REPORT

TO THE GOVERNMENT COMMITTEE ON EDUCATION

The Commission on Education was organized in 1955 to study the problems of the public schools in this state. It has held numerous public hearings and has received many suggestions from teachers, parents, and the general public. The Commission has also conducted extensive research into the various factors which affect the quality of education in this state.

The Commission believes that the most important factors which affect the quality of education in this state are the quality of the teaching force, the quality of the curriculum, and the quality of the facilities. It believes that these factors can be improved by the following measures:

ASSEMBLY CONCURRENT RESOLUTION No. 54

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1986 SESSION

By Assemblyman ZIMMER

A CONCURRENT RESOLUTION applying to the Congress of the United States for the calling of a convention for the purpose of proposing an amendment to the Constitution of the United States.

1 BE IT RESOLVED *by the General Assembly of the State of New*
2 *Jersey (the Senate concurring):*

1 1. The State of New Jersey applies to the Congress of the United
2 States of America under Article V of the United States Constitu-
3 tion to call a convention for proposing an amendment to the
4 United States Constitution to require a balanced federal budget
5 and a limitation on the rate of increase of federal spending, such
6 as Senate Joint Resolution 13/House Joint Resolution 27 (99th
7 Congress, 1st session).

1 2. This application by the Legislature of the State of New Jersey
2 constitutes a continuing application in accordance with Article V
3 of the Constitution of the United States until at least two-thirds
4 of the legislatures of the several states have made similar applica-
5 tions pursuant to Article V, but if Congress proposes an amend-
6 ment to the Constitution to achieve substantially the same purpose
7 with that described in section 1 of this concurrent resolution before
8 January 1, 1989, this application for a state application shall no
9 longer be of any force or effect.

1 3. Copies of this concurrent resolution shall be sent to the legis-
2 latures of all the states, to the Clerk of the United States House
3 of Representatives and to the Secretary of the Senate in Washing-
4 ton, D. C., requesting each of the several states to pass a substan-
5 tially identical application to the United States Congress so as
6 to meet the constitutional requirements for application for such a
7 convention by two-thirds of the states.

STATEMENT

The purpose of this resolution is to apply to Congress to call a convention to propose an amendment to the Constitution of the United States to mandate a balanced federal budget and a limitation on the rate of increase of federal spending, such as Senate Joint Resolution 13/House Joint Resolution 27 (99th Congress, 1st session).

Assembly COMMITTEE Amendments

to

Assembly Concurrent Res. No. 54

Amend:

Page	Sec.	Line	
1	1	3	After "for" insert "the specific and exclusive purpose of"
1	1	4	After "require" insert ", with certain exceptions."
1	1	5	Omit "and a limitation on the rate of increase of federal spending"
1	1	6	After "as" insert "the amendment proposed by"; omit "13/House Joint Resolution 27" insert "11"; omit "99th" insert "100th"
1	2	3	After "until" insert "and after the date on which"
1	2	4	After "states" insert "shall"
1	2	5	After "if" insert "within 60 days after that date"
1	2	7-8	Omit "before" in line 7 and "January 1, 1989" in line 8
1	2	8	Omit "state application" insert "convention"
1	2	After	Insert new paragraph as follows:
		line	"This application shall be deemed null
		9	and void, rescinded and of no effect in the event that
			any amendment to the Constitution which the
			convention may propose for submission to the states
			shall not be limited to the specific and exclusive
			purpose of requiring, with appropriate exceptions, a
			balanced federal budget."
1	3	After	Insert synopsis as follows:
		line	FEDERAL, INTERSTATE, INTERNATIONAL AFFAIRS
		7	Applies to Congress to call convention to propose
			amendment to United States Constitution requiring
			balanced federal budget.

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The Office of Legislative Services, Public Information
Hearing Unit, 162 West State Street
Trenton, New Jersey 08625

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ASSEMBLYMAN RICHARD A. ZIMMER (Chairman): Good morning. This is a continuation of our consideration of Assembly Concurrent Resolution Number 54. We had a hearing which ran most of the day on this resolution on October 21, 1986. Today's hearing will take testimony from those who did not have the opportunity to testify at the October hearing, as well as others who have signed up since that time.

It's been brought to my attention that because the holiday of Passover begins this evening, there are some who wanted to testify who were not able to attend. I've also had it brought to my attention just this morning that some who had been on the list for testifying at the October meeting were not notified of the meeting today and may not have been able to attend because they didn't know it was going to take place.

For these reasons, I intend to hear out everybody who has signed up to speak and everybody who we have time to listen to today. But we will defer a vote on ACR-54 until everyone who has expressed an interest and even those who could not be here today, will have an opportunity to speak.

The first witness I'd like to call is the Honorable Richard J. Hughes.

FORMER GOVERNOR RICHARD J. HUGHES: Thank you very much Mr. Chairman. I'm going to try to be brief because I see there are a great many witnesses. Mr. Chairman, members of the Committee, first of all, I'm privileged and thankful in having your courtesy in hearing me. I've come to discuss a subject which is quite depressing, at least to me. I'm concerned today about the fate of the United States Constitution.

First I would like to say that I am not a constitutional scholar -- far from it. I should like to acknowledge my belated love and respect for the Constitution. I knew about it, of course, in grammar school, in civic classes; but -- I usually don't tell people this -- but in

college and in my first year and a half in law school I was a very casual student. It was not until midway of my second year of law school that I had the opportunity to hear a course given by Judge Richard Hartshorne, a common pleas judge in Essex County under the old system -- later he was a Federal judge.

This miracle changed me from a haphazard student to a straight A fanatic, particularly about the Constitution. Judge Hartshorne made the Constitution come alive for me. I imagined that I could see Americans fight and fall on the battlefields of the revolutions. I dreamed that I was in Trenton when Washington crossed the Delaware and changed the course of the war, and I suffered with the forebearers during that hot and quarrelsome summer in Philadelphia.

In 1787 our Constitution was drafted by noble and self-effacing men. In my lifetime, upon entering the bar -- as you have on accepting judicial and other public office -- I have sworn many times to support and defend the Constitution of the United States. I consider that promise binding unto death. That is why I am here today.

I know I should be happy and content by realizing that Americans all over the country are giving thanks for our magnificent Constitution and the government which it has guided and protected for two centuries now, longer than the written constitution of any other nation. It has seen us through much travail: the hardship of the early years, the conquering of the wilderness, and the Civil War between the States; hard times including the Great Depression of the 1930s; slavery, discrimination; the emerging of millions of our fellow citizens into the melting pot of America; and two terrible World Wars.

Most recently during the Watergate tragedy the Constitution stood on the brink in my opinion. It was preserved when courageous Federal courts, up to the United States Supreme Court, had to tell the President himself that even he was not above the law. And when the House Judiciary Committee was guided by its Chairman, our own Pete Rodino from

New Jersey, through the impeachment proceedings with such bipartisan fairness and restraint as to exemplify the highest ideal of judicial purity -- such as to capture the trust and gratitude of the nation, so was the strength of the Constitution vindicated through an unprecedented and frightening crisis.

My early conversion ripened into a love and reverence for the Constitution coincidentally because my whole professional life threw me into intimate contact with it. As a young Assistant United States Attorney I heard many an impatient defense of the Fourth Amendment from Federal judges to whom I had timidly proffered a bit of suspect evidence. Then as a trial and appellate judge for 10 years, hardly a case I decided was without some constitutional quirk or question.

Later as Governor I lived for eight years at Morven the Executive residence built in 1701 by the early Stocktons. As I went to work each day, I dreamed that I trodded the same porch as had Richard Stockton as he left to sign the Declaration of Independence. As Governor I seemed to confront the Constitution daily in signing or vetoing legislation, in considering extradition or executive clemency, or a multitude of other constitutional questions.

Once in 1965 in the middle of my campaign for reelection I got into deep political trouble. My defending on constitutional grounds the right of free speech by a Rutgers professor who had stated what I considered to be a ridiculous sympathy for the war aims of the Vietcong against our own forces in Vietnam. There was a storm of criticism against me, and although I thought I would lose the election, I opted for the Constitution and took the issue to the people. I was happily surprised when they decided in my favor by reelecting me by an unprecedented majority. That is one reason of many reasons why I trust the people.

And later on, Mr. Chairman, by a very strange quirk of fate, I was appointed Chief Justice of our Supreme Court. My odyssey with the Constitution continued. It lead us into some strange waters including our closing of the schools in New Jersey to force the Legislature to comply with the New Jersey Constitution, affirming the right to die, to vindicate a personal right of privacy onto the Federal Constitution, and the like.

So in these later years, my reverence for the Constitution impels me to warn, to not rest too confidently in the euphoria of gratitude for our form of government. The Constitution has many enemies, including the well-meaning who do not understand it. There are pending in Congress today not less than 30 bills to curtail the authority of Federal judges to rule on constitutional issues such as school prayer and the like.

The United States Department of Justice is said to be applying a litmus test of conservative loyalty to proposed Federal judges instead of devotion to the Constitution and law. Even in our own State there is pending in our Senate legislation to amend our Constitution in ways which would destroy our independent judicial system. I do not think it would gain much support, for as was said long ago, "the price of freedom is eternal vigilance."

The fact is, Mr. Chairman, I fear for our Constitution. I fear for the country that it has protected and guided for 200 years. Now let me tell you why.

Thirty-two states of the required 34 under Article V of the Constitution have already petitioned Congress through their legislatures to call for a constitutional convention to amend the Constitution; reportedly, to mandate a balanced Federal budget and thus reduce Federal spending.

This is a most attractive come-on which has already beguiled 32 states, 16 of them without a legislative hearing

such as this or any other evidence of thoughtful deliberation. It is such an attractive purpose, however false in its promise. For no precedent exists that a constitutional convention can be confined to that one subject. All of our amendments in 200 years have been made by the alternative method of Article V -- careful deliberation by Congress and recommendation to the states for ratification.

Our only constitutional convention, in 1787, was authorized by the Continental Congress to convene for the sole and expressed purpose of revising the Articles of Confederation. Yet providentially, it expanded its commission to found a republic, later including our Bill of Rights.

One wonders why the legislatures of 32 states have sought a convention, which would lay bare this revered constitution to be attacked by every lunatic and radical group in the country. I think the answer is quite simple: The gullibility of the American people, all of them, to slogans: "balance the budget, reduce Federal spending," etc. We've always been that way since P.T. Barnum voiced his famous aphorism, "there's one born every minute."

So, it was that what with many mountebanks in our history prospered mightily -- Billy Sunday, Aimee Semple McPherson, Dr. Townsend, Father Coughlin, Prophet Jones in Detroit, Father Devine in Philadelphia, and so forth. And to examine the present crop of feverish religious fund raisers, one need only to look at tonight's television.

Assembly Concurrent Resolution Number 54, it seems to me, would range New Jersey on the side of these states which are imperiling our Constitution -- taking a chance with it. Think of it. New Jersey, the progressive state which was the home of so many revolutionary heroes, the home of signers of our Declaration of Independence, with great Governors from Woodrow Wilson to Thomas Kean, joining in this jingoistic, knee jerk attack on our Constitution. God forbid.

So if you agree with the British Statesman, William E. Gladstone, or with me, that: "The American Constitution is, so far as I can see, is the most wonderful work ever struck off at a given time by the brain and purpose of man." I ask you to join in this fight against its subversion: to abandon or perhaps to table ACR-54.

Former Governor Brendan Byrne has read this presentation of mine, and has authorized me to tell you and the Committee that he agrees with my arguments against ACR-54. He states respectfully to the Committee that he strenuously opposes a constitutional convention. The State's Senior Congressman, Peter Rodino, has authorized me to state the same on his behalf.

Mr. Chairman, I am very grateful of the courtesy of your Committee in hearing me today. I have no political or personal purpose, no ax to grind, because now I'm in the slow lane of life. But the Constitution of the United States is very close to my heart, as I know it is to yours.

I hope that you will reject ACR-54. Please don't tinker with our Constitution. It means too much to every American. Thank you Mr. Chairman. (applause) I didn't have anything to do with that, Mr. Chairman (referring to the applause).

ASSEMBLYMAN ZIMMER: You still have the crowd appeal, Governor. You declare that you are not a constitutional scholar, but I think there are those here who would disagree with you. I do respect you as a scholar and as a public servant. The questions I ask you are asked with considerable respect.

As Governor for eight years, you were charged with seeing that the laws in the State Constitution were executed, and that included the provision of our State Constitution that requires a balanced State budget. Do you believe that that is a useful and salubrious provision to have in the State Constitution?

GOVERNOR HUGHES: I know that it troubled me once in a while because of the delays in the Appropriations Committee and things like that. But for a state I could see its usefulness. Many other states have such provisions in their constitutions. I don't think it would work in this country. I think we ought to look, rather than depend on the representative political system.

For instance, I know there are exceptions in this plan to protect in times of war. Had we had such an unconditional provision in the Constitution, we would have lost both World Wars and we might be talking a different language now.

ASSEMBLYMAN ZIMMER: Well, assuming that a Federal constitutional amendment could be drafted to deal with this issue such as war and depression, and assuming that a deficit could be authorized with a super majority vote of 60% which is what most of the proposals pending in Congress provide, do you feel that that would be sufficiently flexibility to be workable?

GOVERNOR HUGHES: I know about these assumptions, Mr. Chairman. But I, frankly, don't have much confidence in them because you have not only action by the Congress in an unconditional way to be playing about the requirement and a measure for the selection of delegates to the constitutional convention proposed, then you've got court tests, and you might have years of uncertainty. But in my humble opinion, this situation could divide the country, as I think as one of my friends might testify here today, more so than any incident since the Civil War.

ASSEMBLYMAN ZIMMER: Well, I'm trying to focus in on the amendment rather than the convention. Is it the amendment itself, you say, that could divide the country? Because the amendment as you know, has passed the Senate by two-thirds vote at one point, has achieved a majority vote short of two-thirds in the House. Do you believe the balanced budget amendment would have that divisive effect or just the prospect of the convention?

GOVERNOR HUGHES: I'm puzzled about the amendment. But in my thinking I haven't thought deeply about it because I put it into second place against the fearful prospect of a runaway convention which could happen. And if there are these uncertainties and the kinds of disputes between decent people that you'll hear exhibited to you during this hearing and your previous hearing where you had such deep disputes and questions, I don't think we should tinker with the American Constitution. It pleases me very well. It has protected me all my life.

ASSEMBLYMAN ZIMMER: Why, Governor, do you feel that the founding fathers included in the Constitution the provision for a constitution convention, giving it equal dignity to the provision in Article V for proposal of amendments by Congress?

GOVERNOR HUGHES: Well, for many reasons. It may have been a populist thrust in their minds. A lot of the motives of the drafters of the Constitution are kind of obscure, historically. But hearing the voice of the people is important and that's, no doubt why they put in the alternative method. But I think it is greatly significant that it has never been used in 200 years.

ASSEMBLYMAN ZIMMER: Are you familiar with the instances when it has almost been used and has prompted Congressional action because of that?

GOVERNOR HUGHES: That's called the bludgeon effect in which, I think, it is the 11th Amendment -- the election of Senators.

ASSEMBLYMAN ZIMMER: Do you feel that that was a legitimate use of Article V?

GOVERNOR HUGHES: I think so. I would think so, but it's chancy. How chancy it is is indicated by the fact that there are already 32 of the necessary 34 states lined up -- some most casually without a semblance of consideration just on account of the slogan. No legislative hearing such as this--

Now thanks to you, Mr. Chairman, this Committee is giving careful consideration for this problem and that's to its credit. But that hasn't happened in 16 of those 32 states.

ASSEMBLYMAN ZIMMER: Thank you very much Governor. Are there any other questions? (negative response) Well, it was an honor to have you here this morning. Thank you very much.

GOVERNOR HUGHES: Thank you very much.

ASSEMBLYMAN ZIMMER: I understand that one of our witnesses has to catch a train. The gentleman representing B'Nai B'Rith, Seymour Reich?

S E Y M O U R R E I C H: Yes. Thank you Mr. Chairman. My name is Seymour Reich and I'm the International President of B'Nai B'Rith. I'm grateful to appear before this Committee to testify on an issue of great moment, not only in our State of New Jersey but across this country. I am here representing hundreds of thousands of B'Nai B'Rith members in the United States including 14,000 members in New Jersey who are concerned that the convening of a new national constitutional convention poses a potential threat to our pluralistic democracy and, indeed, to our American way of life.

The measure before your Committee would call on the United States Congress to sanction a constitutional convention for the purpose of considering an amendment requiring a balanced Federal budget. Our members in New Jersey and elsewhere are of more than one mind about the need and desirability of mandating a balanced budget in the United States Constitution.

But our membership is single-minded that opening the Constitution to change through the extraordinary method of convention -- the first since 1787 -- carries unacceptable risks because it invites tampering with our basic freedoms. Many constitutional experts fear that even the Bill of Rights, the cornerstone of American democracy, would not be secure.

Contributing to our concern is the nature and agenda of the groups pressing for a new convention. Many of these

groups are seeking more than a balanced budget amendment. Some of them have made no secret that they are looking for a fundamental change in the document that has served our nation so well for nearly 200 years, including revisions of Articles I and IV of the Bill of Rights and the entire first 10 Amendments to the Constitution. A great many legal scholars are convinced that once a convention begins there are no restraints on what it can consider, even if the reason for convening was as specific as a balanced budget amendment.

In theory, the delegates to the convention could rewrite the Constitution altogether just as the first convention mandated to rewrite the Articles of Confederation. Even if a convention could be limited to one general subject -- fiscal matters -- practically any manner of amendment could be introduced because ultimately everything is relatable and reducible to budget. Nevertheless, B'Nai B'Rith has been working with members of Congress to strengthen the constitutional convention procedures bill in an effort to limit the convention to the specific subject for which it was called.

But despite our efforts and the efforts of other groups like the American Bar Association, the principal sponsors of that legislation have resisted stronger language. However, a tough procedures bill would still be no guarantee that a convention would operate within certain parameters. Despite the attempt by the Continental Congress and the states to bind the original 1787 convention, that convention recognized and operated under no limitations. It did so because it saw itself -- as a new convention is likely to see itself -- as the highest and ultimate expression of the peoples' will.

It is true, of course, that a convention can do nothing: ~~more than recommend and change.~~ Its ~~recommendation~~ must go back to the states for their approval. But that

ratifying process could easily be dominated by those states and individuals with the least experience in pluralism. They may accept changes that strengthen the majority and its interests at the expense of the minority.

A healthy democracy is one that keeps in balance majority and minority interests and rights. The safer and more traditional way of amending the Constitution is for Congress to consider constitutional amendments. This is the way the Constitution has been amended all 26 times. To call a constitutional convention for the ostensible purpose of considering one proposed amendment is to abuse a process which the framers of our Constitution had clearly intended as a last resort.

I urge this Committee to reject the call for a national constitutional convention. Such a convention would put our freedoms at risk when a far more conservative process -- initiating and amending in Congress -- is available and time tested. If New Jersey and the rest of the country wants a balanced budget amendment to the Constitution, let it be done by that traditional method. Only in this way can we protect our American Constitution. Only in this way can we be assured that no extreme and willful segment of our body politic would be in position to undermine our fundamental liberties as a free and tolerant people.

We the people, the members of B'Nai B'Rith and many millions of others in this country, do not want a constitutional convention. The political opportunists, however, do. Since this still is a nation of the people, I would hope that the peoples' will would prevail. Your Committee could help see that this happens.

Mr. Chairman, thank you for allowing me to present the views of B'Nai B'Rith. If I may, I would just like to add two other subjects.

I think it's clear, and I don't think that anyone who supports a balanced budget or an amendment which would require a balanced budget can guarantee a process that would take place in the constitutional convention that's being suggested. I think that's a critical criteria.

Even in the New Jersey Constitution which the Chairman formerly alluded to, there is a specific amendment within the Constitution of the State of New Jersey. That's not what is in the proposal before this Committee. It's to call for a constitutional convention and as stated, no one can guarantee what would be the limits of that constitutional convention.

Lastly, New Jersey is just one of two states-- New Jersey which has a tradition of pluralism, a tradition of democracy, and a tradition of freedom, I think would make a mistake if it was the next to the last state to engage in this process. So, I would ask you to protect and to preserve the traditions of this great State and reject the bill that's before you. Thank you.

ASSEMBLYMAN ZIMMER: Mr. Reich, you referred to groups who are favoring this resolution who want to use a convention to revise the Bills of Rights and undermine other provisions of the Constitution. We've had one lengthy hearing on this. I've been contacted by witnesses for and against the resolution who wanted to speak today and others who have gotten in touch with my offices. Not one organization or individual who has contacted me says that they want this constitutional convention to deal with more than the balanced budget amendment. Could you, please, identify those groups and those individuals who you've alluded to?

MR. REICH: No. I'm not prepared to identify them now, but I'll be happy to submit a separate letter to the Chairman to identify those groups. I would say that you are correct in the testimony that has been given to you. Most

people in testifying in favor of the proposal will link their approval to the balanced budget amendment. That is the main thrust of the suggestions calling for a constitution convention.

But none of those people including, I think the people in this room who may testify in favor of the proposal, can guarantee, despite the strongest protestations, despite the statements that they will be making, that that is their only interest. None of them can guarantee what a constitutional convention can do or will do. That's the danger, Mr. Chairman, that we face.

ASSEMBLYMAN ZIMMER: The list that you are going to provide me with are people or organization that support a balanced budget convention and who want to open up the--

MR. REICH: Who would favor the changes in the Constitution other than the balanced budget and would favor alteration of the Bill of Rights. Yes.

ASSEMBLYMAN ZIMMER: You discussed your negotiations in Congress to refine legislation that would establish the ground rules of the constitution convention. Could you explain to me the language that you've been seeking that has been resisted by the proponents of the constitutional amendments?

MR. REICH: Yes. The procedural guidelines for a constitutional convention are not clear. The convention itself can't, theoretically, as anybody in politics -- can't set up its own rules. The suggestion has been made to soften the impact of a constitutional convention and to soften those who oppose the constitutional convention process -- if guidelines were to be proposed by the Congress, that would insure and eliminate the fear that some of us have as to a runaway convention.

I regret to say that even though we're not sure that that kind of legislation would control the convention, nevertheless there has been resistance by Senator Jesse Helms and others in the Congress to having that kind of legislation

enacted which would put restrictions on the procedures that the constitution convention would follow.

ASSEMBLYMAN ZIMMER: Are you familiar with the legislation that was reported out the Senate Judiciary Committee in the last session of Congress that was reported out unanimously?

MR. REICH: Which bill are you referring to?

ASSEMBLYMAN ZIMMER: It was S-40 which was the Constitutional Convention Implementation Act of 1985.

MR. REICH: Yes. That's not gone beyond the Committee though, has it?

ASSEMBLYMAN ZIMMER: Are you familiar with that?

MR. REICH: Vaguely, sir.

ASSEMBLYMAN ZIMMER: Do you believe that this was reported out of Committee by an unanimous vote and runs from Jesse Helms' former colleague from the right, John East, all the way over to Ted Kennedy and Howard Metzenbaum? Do you believe that that was an inadequate piece of legislation?

MR. REICH: I think it's inadequate because there's no guarantee that that kind of resolution, which is all that it would be, is binding on the constitutional convention. Just as the State Assembly can adopt its own rules of procedure, the constitutional convention, it's believed, can adopt its rules. Therefore, that legislation would not be sufficient to guarantee the concerns that we have that the constitution convention would go beyond the balanced budget amendment concern.

ASSEMBLYMAN ZIMMER: But the focus of my question was on the legislation. Where you said that Jesse Helms has been resisting specific language that you want in legislation such as this, my question is, is the language in the Constitutional Convention Implementation Act of 1985 satisfactory to your organization?

MR. REICH: Not fully.

ASSEMBLYMAN ZIMMER: What would like to see?

MR. REICH: Because it cannot guarantee the legislation that's being recommended -- which has not gone beyond the Committee structure -- it cannot guarantee the constitutional convention processes. I cannot--

ASSEMBLYMAN ZIMMER: Well, is there any language that can?

MR. REICH: No, there isn't.

ASSEMBLYMAN ZIMMER: Well, then what is Jesse Helms resisting?

MR. REICH: Jesse Helms was against this kind of proposal. It was, despite his approval, his resistance and his strong influence on the Judiciary Committee and in the Senate, which is why this has not gone beyond the Senate Committee procedure.

ASSEMBLYMAN ZIMMER: So, you support legislation of this sort, although you have your doubts as to whether it's going to be effective?

MR. REICH: Correct. The problem of your asking me if I support legislation of this sort is a question that would lend itself to support of the process that is encompassed in this bill. I don't want to get caught in that Catch-22 by suggesting that there's a way of softening the impact of the constitutional convention by this kind of Senate resolution.

Those people, Senator Metzenbaum and others, that you referred to, are concerned about the constitutional convention process and none of them, including the proponents of this bill can guarantee what the constitutional bill will do. The concern is, Mr. Chairman is that it will be a runaway convention despite that bill.

So, my support of that bill is not sufficient to warrant support of the constitutional amendment resolution that's before this Committee, unless the Chairman can guarantee that that resolution, if enacted by the Senate and the House, can control the convention. I don't think you can.

ASSEMBLYMAN MARTIN: The only way that could happen is if the Constitution itself had an amendment which dealt more fully with the procedures.

MR. REICH: Which is not before us.

ASSEMBLYMAN MARTIN: That's the only way you could guarantee it.

MR. REICH: Correct.

ASSEMBLYMAN BOCCHINI: This calls for an amendment prior the amendment for the convention.

MR. REICH: Correct. And even then, respectfully, there's no guarantee again that a convention in assembly which is privileged to enact its own rules, can disregard the mandate. That's basic to the concern that I've expressed. While the resolution talks about a balanced budget amendment, the sense is that it can go beyond that. Just as even if you enacted within the confines of your resolution, procedural requirements with regard to the convention, they could, presumably, ignore that because that's a procedural question which anybody can delegate to himself.

ASSEMBLYMAN ZIMMER: Mr. Reich, really the only thing that could give you peace of mind is if we amended the Constitution to abolish the rights of the states to call a constitutional convention.

MR. REICH: No.

ASSEMBLYMAN BOCCHINI: That's unfair. I think that's an unfair statement.

ASSEMBLYMAN ZIMMER: Would not any constitution convention worry you and threaten--

ASSEMBLYMAN BOCCHINI: I'm glad you're going to the Senate, Assemblyman. You're getting crazy. (laughter)

MR. REICH: Would not any constitutional convention worry me? Yes. Any constitutional convention would worry me.

ASSEMBLYMAN ZIMMER: Can you conceive of a constitutional convention being justified then for any purpose?

MR. REICH: Not today I can't. No, because the Constitution has been tested 26 times, amendments have been enacted through a procedure that has withstood the test of time. Democracy has flourished with the bastion of democracy in the free world, and the concern is that that could be destroyed by the proposal that's before you. That's why it would be so tragic if New Jersey lent itself to that process. This is one of the last strongholds where we can possibly survive that test. That test is before this Committee and this process.

ASSEMBLYMAN ZIMMER: Any further questions, Marion or Joe?

ASSEMBLYMAN CHARLES: I have a question. By resisting this method of amending that the Constitution-- I guess most of those who resist it take the view that the founders of the Constitution did not adequately consider that the horrors or the possibilities that now give the rise to the concern that you have about this type of amendment process. Is there anything in the record of the framework of the Constitution that addressed that question? Are the minutes of the record completely silent on what their views were about this method of amendment as opposed to Congress adopting and then sending it to the states for ratification?

MR. REICH: Well, like Governor Hughes, I'm not a constitutional scholar except I would reflect on this: In 1787 we had a different form of society, a different kind of United States. We had 13 states or colonies, if you will, just preceding the 1787 convention. It was not as broad and diverse a society and it's conceivable that what was being enacted was not fully tested in terms of what could come about 200 years later. I would suggest that it's an unnecessary aspect of us today to utilize in terms of amending the Constitution when we have other procedures that can be utilized.

Anyone who wants a balanced budget -- I think that's a fair right to suggest in terms of our processes. Gramm-Rudman

was, supposedly, a piece of legislation which would have given the Congress an obligation to have a balanced budget. Whether that's working or not remains to be seen. If some suggest that it's not working and a constitutional amendment is necessary to accomplish that, fine -- but not through the processes of a constitutional convention. Let that same energy be directed to the manner in which 26 other amendments were adopted. There'd be nothing wrong with that, and I would not complain of that in terms of the constitutional process.

But the concern is that none of those could guarantee what a constitutional convention would do. That's the danger and that's why it's so important for the members of the Committee to meet the test that's really before you. The whole country is looking at you.

ASSEMBLYMAN CHARLES: I agree. I mean, I happen to be one of those who opposes this resolution and a convention called for this purpose for many of the reasons that you have said. I would like to know though -- and I think my position and a lot of other people's position would be even strengthened in their own minds -- if somebody could point to something in the history of the original convention that speaks to the framers' thoughts about this method of amending the Constitution.

Because, frankly, the argument that the society has changed over 200 years, bears on every single amendment to the Constitution and every part of the Constitution. We've given varying interpretations of the First Amendment, Fourth Amendment, Fifth, Fourteenth, and everything else as time has evolved, as our society has become more complex. And as rights in the peoples' minds have changed, the societal values have changed.

~~So the fact that it's changed now -- that it's~~
different now than it was 200 years ago -- bears not only on this issue, but everything else. If that was the only reason that we could raise, that may be a reason for resisting every

single interpretation that is new and modern of a constitutional provision. Is there anything anywhere where it's said or are the Constitution minutes just silent on this?

ASSEMBLYMAN ZIMMER: Joe, we had testimony at our first hearing -- Professor John Armor of the University of Baltimore, who's an expert on the deliberations that lead to the adoption of the language of Article V as well as its implementation, and I refer you to the transcript. Perhaps some of our witnesses later on today could give you some further elucidation on that. There has been some a great deal of research done on it.

It's convinced me that the founding fathers, although they did not have, precisely, a balanced budget in mind, saw the prospect of Congress itself being part of the problem in certain situation, that Congress itself would be reluctant to initiate a needed amendment, and so an alternative, that is, actioned by the states, would be necessary to initiate an amendment.

ASSEMBLYMAN CHARLES: But what do they say about the nature of that convention that's to resolve Congress' dereliction? Is there anything that speaks to what that convention should consist of and what the scope of the commitment should be?

ASSEMBLYMAN ZIMMER: Yes there is, and I can also refer you to the work that's been done by the American Bar Association on the subject.

ASSEMBLYMAN CHARLES: What does it say?

ASSEMBLYMAN ZIMMER: Let me look it up here. The ABA Committee concluded in reviewing the language and the history of the adoption of Article V that a constitutional convention--

It says: "It is our conclusion that Congress has the power to establish procedures governing the calling of a national constitutional convention limited to a subject matter on which the legislatures of two-thirds of the states request a convention.

"In establishing procedures from making available to the states a limited convention when they petitioned for such a convention, Congress must not prohibit the state legislatures from requesting a general convention since a review of Article V permits both types of conventions."

ASSEMBLYMAN CHARLES: So, the Congress can say to have a limited one and the states can say the heck with you, we want it wide open. Is that it?

ASSEMBLYMAN ZIMMER: No. If 34 states pass resolutions to have a general convention, there will be a general convention.

MR. REICH: But I don't think that's answering Mr. Charles which may not be answered in that text. He's asking what was the motivation in terms of this alternate procedure in 1787 when the Constitution was enacted? Apparently, there's been no testimony on that. I will--

ASSEMBLYMAN ZIMMER: Yes there has.

MR. REICH: There has been. Excuse me.

ASSEMBLYMAN CHARLES: So you're saying, if I understand you correctly, Mr. Chairman, that according to the ABA's opinion, if you pass ACR-54 and it's specifically limited to balancing the Federal budget, then the constitutional convention can't go beyond that?

ASSEMBLYMAN ZIMMER: That's correct. That was testified to by Adrian Foley, who is a member of this ABA Committee and former President of the New Jersey Bar Association, and incidentally, former chairman of New Jersey's most recent constitutional convention. That was his conclusion.

ASSEMBLYMAN MARTIN: Mr. Chairman, one of the problems I have with that and if this witness or other witnesses have some comments-- He raised an issue before that I find somewhat troublesome, and that is the language in which we say, limits the budget and calls for a balanced budget, but also a limit on increased spending.

A concern that I have is under some pretext, if you will, can you host a multitude of issues and put them in the form of a limitation on increased spending? I know the witness made some reference to it. That's one of the concerns that I have if you could, under the umbrella so to speak, put in a lot of different areas.

ASSEMBLYMAN ZIMMER: I'm glad you asked me that question. Even if you didn't ask me that question, the fact is that I've asked staff to prepare amendments among which is an amendment to eliminate that limitation on the right of increased Federal spending. Although I personally believe that that's a desirable provision to be included in the Constitution for a number of reasons including the fact that most other state resolutions have not had that clause in it, I've asked to have it deleted from the text of ACR-54. Let me distribute the draft of the proposed amendment.

ASSEMBLYMAN CHARLES: You mean to amend ACR-54?

ASSEMBLYMAN ZIMMER: Yes, before we release it.

ASSEMBLYMAN CHARLES: What, I guess, the foundation question is, is this resolution identical to the resolution that was passed in the 32 other states or are there variations in this one?

ASSEMBLYMAN ZIMMER: It is not identical. There is a study that was done by the Association of the Bar of City of New York examining them each, one by one. There's probably no two that are precisely the same. The legal authorities who have testified before us, with whom I am familiar, point out, as I think, any common sense interpretation would hold, that you don't have to have precisely identical resolutions to have legal effects.

ASSEMBLYMAN CHARLES: Whose ruling is that? I mean is there some judicial precedent that says that identical language-- I mean we have, for example, a compact between the States of New York and New Jersey Port Authority. We have had to pass identical language. And some things that take place

between states have to have identical language. Is there a legal ruling anywhere which says that resolutions are different?

ASSEMBLYMAN ZIMMER: Of course there aren't because as has been said before, this is an issue without precedent. However, Congress is given the responsibility to review the substance of the text of each resolution under Article V and to make the determination as to whether the two-thirds have been met.

ASSEMBLYMAN CHARLES: It just seems to me that for those who are-- When we're talking about something as serious as this is with all of the dangers that it inheres and that we've heard expressed by those who oppose it and where the real danger is the fear about how wide-open and how unlimited this thing would be, would seem to me that just in the interest of caution and in the interest of at least giving as much as you can with that issue that we ought to have identical resolutions coming out of all of the states, otherwise you do have people arguing on what this state wants and what the other wants. If you had the same language, then they couldn't be--

But to me, that raises even a further question as to the argument that we don't know what the scope or what the dimensions of such a convention would be. Apparently, the states don't even agree on it in the resolutions that they are passing. Is there some way or can some effort can be made to get some? I guess it can't be, but--

ASSEMBLYMAN ZIMMER: The way you can get some certainties is to pass legislation of the sort that Mr. Reich and I were discussing. I think it's something that we agree on. Also to have good legal minds examine the issue as the American Bar Association has done. But I think that detracts from the issue of hand which is how we're going to get a balanced budget amendment to the Federal Constitution if indeed--

ASSEMBLYMAN CHARLES: Well, I think the issue at hand may be that, but the issue also at hand may be more importantly: what kind of dangers do we encounter in trying to deal with the issue that you addressed? That may be more paramount to just this single issue that you're talking about. I have no further questions or comments.

ASSEMBLYMAN BOCCHINI: The ABA opinion that you referred to, has that been made available to each of the Committee members? I'd like a copy of that. Not to say that you're taking anything out of context, I understand that, but do you think that you could arrange for each of us to be able to have a copy of it?

ASSEMBLYMAN ZIMMER: I'll see if I can. It's available from the American Bar Association and the National Taxpayers Union which is represented here.

ASSEMBLYMAN BOCCHINI: Would you be kind of enough to see if you can obtain that for us?

ASSEMBLYMAN ZIMMER: We'll get copies to you.

MR. REICH: Mr. Zimmer, respectfully, with regard to the ABA language that you read, that's an opinion of the ABA and that certainly, again, would not be binding upon the constitutional convention who in my opinion can enact their own rules. But even the ABA is opposed to the concept of this constitutional convention.

ASSEMBLYMAN ZIMMER: Could you tell me in what statement, what pronouncement that appeared?

MR. REICH: I'm sorry I don't have the text. I believe they are party to a group who've expressed opposition to the calling to a constitutional convention. Is the Chair suggesting I'm wrong?

ASSEMBLYMAN ZIMMER: The Chair has never heard of that before.

MR. REICH: Well, I will have to supply the Chairman or correct my testimony in that regard.

ASSEMBLYMAN ZIMMER: Will you please?

MR. REICH: Yes. With regard to spending which Mr. Martin alluded to in my testimony. The concern is that theoretically you can tighten up the procedures or change the procedures with regard to the judiciary and eliminate from a judicial consideration, aspects of spending proposals under the guise of budgetary considerations. That's another danger in terms of a constitutional convention running amuck in terms of what they can do under the guise of limited spending.

So I would ask that with all of these problems, some of which we, obviously cannot answer, I would ask the Committee to reject the proposal and even -- I understand there may be some amendment to the proposal before -- but I don't really believe, respectfully that any language can modify the basic concern that a constitutional convention will have no controls on it and may endanger the kind of government and pillar of pluralism that we now have in America.

ASSEMBLYMAN ZIMMER: Any further questions? (negative response) Thank you very much Mr. Reich.

MR. REICH: Thank you.

ASSEMBLYMAN BOCCHINI: Mr. Chairman, Assemblyman Charles raised an issue that I would just like to discuss for a moment. If the Congress were to receive 34 separate resolutions that, in effect by the Chairman's statement, could be 34 separate statements, even though you're inferring that the intent of each of the resolutions is essentially the same, then there is an extremely wide-open area for debate as to what each state meant by calling for the convention. That really and truly concerns me, and really and truly scares me. I don't know if there is some mechanism whereby even this Committee could request that our Attorney General to go in for a declaratory judgment as to what would be required. You know the Federal courts would eventually determine the right of that

issue if it got to the Supreme Court. But what would be required by each of the states to have a uniformed thought in order for Congress to move?

ASSEMBLYMAN ZIMMER: I not sure that an opinion of the State Attorney General would be dispositive, but it has been an issue that's been examined by constitutional authorities.

ASSEMBLYMAN BOCCHINI: I didn't say an opinion just from the AG, I'm referring to the possibility for declaratory judgment.

ASSEMBLYMAN ZIMMER: Oh, for declaratory judgment. I would doubt whether the Federal courts would give a declaratory judgment.

ASSEMBLYMAN BOCCHINI: But the only way to find out is if somebody takes the issue to the court and the court comes back and either says that yes that they will proceed or no that they don't believe the issue is yet ripe enough for them to handle it.

ASSEMBLYMAN MARTIN: I agree with you. I think there's some scope question-- If you had one state pass an amendment that dealt strictly with the balanced budget, you had another state that dealt with the balanced budget and a limitation on increased spending, and you put those two state delegates together in a convention, I don't know exactly how it would be resolved. It seems to me that you would probably go in the area more rather than less inclusive. But I think it raises some questions.

The problem that we have now is that if New Jersey were to support this measure, it seems to me, the practicalities of going back and asking 33 or 31 other states to adopt New Jersey's considered opinion as to what the exact languages are, is probably an impossibility. But it would certainly be a comfort if each state was dealing with the same deck of cards -- the exact same language.

ASSEMBLYMAN ZIMMER: I'd like to now call Lance Lamberton, President of New Jerseyans for a Balanced Budget.

LANCE LAMBERTON: Mr. Chairman and members of the State Government Committee, I appreciate having this opportunity to testify on behalf of the members of New Jerseyans for a Balanced Budget, an organization incorporated in December of last year to mobilize grass roots support for a convention call in New Jersey to draft a balanced budget amendment to the Constitution.

The critical need for this legislation cannot be overestimated. We are a nation swimming in a sea of red ink. In just five years, we have gone from the world's largest creditor nation to the largest debtor. In those five years, the national debt has grown from \$1 trillion to over \$2 trillion. Financing the national debt consumes 25¢ of every tax dollar sent to Washington.

If current trends continue, the debt will rise to \$3 trillion in less than four years, will consume 50% of Federal revenues in less than ten years, and will require Federal expenditures approaching 40% of the Gross National Product by the late 1990s just to keep up with the spending explosion that is creating this debt.

Our mounting national debt also portends dire economic consequences in the very near term. The only reason interest and inflation rates have remained relatively low during this period when deficit spending has reached unprecedented levels is due to extensive foreign investment in the American economy, mostly by Japan.

However, now the American dollar is hanging by a thread, having fallen to its lowest level against the Japanese yen in post-war history. Like a drunken sailor too drunk to know or care, we are facing an economic hangover of unprecedented proportions if we continue to allow our Federal legislators to drink this nation under the table.

But what I'm saying here is nothing new. Common sense dictates that a high standard of living and economic growth cannot be sustained if the Federal government continues its deficit spending binge indefinitely. The question is not, "Will economic disaster result?" The question is, "When?" So we need to see what can be done about it.

The broad consensus which has emerged to answer and remedy that \$2 trillion question, is a balanced budget amendment to the Constitution. Congress needs to be constitutionally required to spend no more than it takes in. Nothing less will do. Yet Congress has not acted.

Despite the best efforts of fiscally responsible members of Congress, spending interests have prevented enactment of a balanced budget amendment. We have reached a point where it is not enough to say that Congress should pass a balanced budget amendment. The sad truth is that it won't unless it is forced to, through the threat of a constitutional convention. Ten years of committed effort, combined with the support by the overwhelming majority of Americans, have failed to produce the desired result. We cannot wait any longer for something which will never materialize without the convention prod.

Yet if New Jersey become the next state to call for a convention, we will be only one state away from a convention being called. The last time a convention was that close to being called, Congress relented and enacted the seventeen Amendment which allowed for the direct election of U.S. Senators. The same happy result could be anticipated if New Jersey joined the 32 states who have already made the call.

However, in the unlikely event that Congress does not enact a balanced budget if the necessary 34 states made the call, what would be the chance of a convention "running away" and considering amendments not germane to a balanced budget amendment? The answer is, "None whatsoever," and I submit that the notion it could somehow run away is a pure red herring,

conjured up by spending interests in order to deflect attention away from the very real runaway national debt.

First of all, if 34 states made the call, Congress would be faced with the Hobson's choice of either convening a convention or short-circuiting that process by enacting an amendment on its own. There is virtually no chance that Congress would do anything but enact an amendment under those circumstances. To do otherwise would allow the possibility of a convention drafting an amendment which could, for example, prohibit members who vote for deficit spending from standing for reelection. It is inconceivable that Congress would put itself at that kind of unnecessary risk.

Second, assuming Congress still did not act, it would then be required to pass legislation setting the parameters for how a convention will be convened, how delegates will be elected, and what the convention may consider. This would be necessary because the Constitution does not specify these procedures. Recognizing this, the Senate Judiciary Committee in 1985 unanimously approved a bill -- S-40 -- which requires that, "No convention may propose any amendment or amendments of a subject matter different from that stated in the concurrent resolution calling the convention."

Furthermore, the bill states that, "if any proposed amendment drafted by a convention relates to or includes subject matter different from or not included in the subject matter specified by Congress when the convention was convened, that Congress may not submit the amendment to the states for ratification." The bill also provides express opportunity for judicial review if Congress fails to limit the convention to the states' request. Since it would be directly contrary to Congress' interest and prerogatives, it would likewise be inconceivable for it to enact anything less restrictive on a convention's activities than legislation S-40. In fact, legislation almost identical to S-40 pass the full Senate in both 1970 and '71.

The third major constraint on a so-called runaway convention is that the voters themselves would demand that elected delegates to a convention limit themselves to a balanced budget amendment. There is no organized group or legislator who advocates opening a convention to other topics. Even if voters in some areas favored opening a convention to other topics or some candidates lied to get elected, what would the chance be that a majority of the delegates would favor opening a convention to another issue when the overwhelming majority of voters do not?

In this regard, S-40 has a provision that delegates would be required to take an oath swearing to limit the convention to the topic for which it was called. I, for one, would not want to face the voters after breaking that oath, and I can't imagine very many others delegates would want to either.

Moreover, it is important to realize in this context that Congress itself is an open convention, a body of individuals elected from the people at large, that is free, at any given time to propose any amendment on any subject it so chooses. A convention, on the other hand, would be strictly limited by Congress and the 34 state legislatures making a convention call, to the topic for which it was called in the first place.

Are we Americans so cynical and distrustful of the very democracy which has made this nation great to assume that only members of Congress are wise and prudent enough to enact amendments in the public interest? On the contrary, members of Congress are drawn from the same pool of Americans that delegates to a convention would be, and to assume they would recklessly endanger our constitutional freedoms any more than Congress would, is a slap in the face to all of us as Americans who cherish our liberty.

Finally, 38 states must ratify anything that comes out of a convention. If we look at the fate of the ERA, we are reminded of what a difficult task that is. It is absurd to

think, as convention opponents have maintained, that other, far more divisive and less popular issues could likewise pass this final test.

Before I conclude my testimony, I'd like to respond to some of the emotionally laden charges that a convention would somehow lay waste to the remarkable document which our founding fathers authored. Let us not forget that the same genius which inspired our forefathers to write the Constitution, also inspired them to include Article V which permits it to be amended through a convention. If we revere the Constitution and the freedom and opportunity it provides us, then let us try to understand their reasoning for allowing this method of amending the Constitution.

Our forefathers recognized there would be times when Congress would not act in the best interest of the nation if it threatened their prerogatives. This was true when the threat of a convention forced them to yield to the people and allow for the direct election of Senators. It is even more true today when Congress is willing to let the nation face economic calamity rather than relinquish their ability to secure reelection through unbridled deficit spending.

While I have painted a gloomy picture of the economic disaster which will come to pass if Congress is not pressured to act on a balanced budget amendment, we can likewise anticipate a very positive scenario if Congress is pressured to act. With enactment of a balanced budget amendment, renewed confidence overseas in America as a place to invest will occur. In so doing, we can prevent the economic hemorrhage that will otherwise result, and continue our onward and upward progress as a country of unsurpassed economic freedom and opportunity.

Indeed, ~~America's best days are before us if we act~~ courageously to end this unconscionable transfer of debt from one generation to the next, whereas the converse is true if we

do not. This Committee has before its consideration a resolution, which if acted upon favorably, holds the potential of beginning a chain of events which will restore fiscal responsibility once and for all.

In a recent symposium on the Constitution, former New Jersey Governor Hughes pointed out that New Jersey holds a hallowed place in our nation's history where Americans fought during the Revolutionary War to "hand down a country to us." By the same token, you as members of this Committee, have a golden opportunity to help in handing down a country better than what existed before. I beseech you to seize that opportunity, and continue a tradition of which we as New Jerseyans have a right to be proud. Thank you very much for giving me this opportunity.

ASSEMBLYMAN ZIMMER: Thank you. Any questions?

ASSEMBLYMAN BOCCHINI: Mr. Lamberton, I noticed the emphasis of the thrust of your statement from its inception is a balanced budget. Now, if we could achieve the balanced budget amendment without the convention, I'm sure you wouldn't be opposed to that.

MR. LAMBERTON: Absolutely not. I don't necessary favor a convention call over it being amended through Congress. I think both are very valid and viable ways to amend the Constitution when it becomes necessary such as I believe it is necessary today.

ASSEMBLYMAN MARTIN: Do you have any confidence at all with Gramm-Rudman?

MR. LAMBERTON: Well, consider that a clean water act of about \$18 billion was enacted under Gramm-Rudman restraints, consider that highway bill, which is going to cost about \$88 billion, both which go beyond the Gramm-Rudman-Hollings deficit act have been passed, I see no confidence in-- And I think that perhaps Senators Gramm and Rudman would agree with me that that legislation has not worked.

Also I might add that former Senator Harry Byrd had a balanced budget law enacted in 1978 which was suppose to go into place in 1981. You can see the result of that. Clearly, only a constitutional amendment will restrict Congress from spending more that it takes in.

There are perverse incentives in our system which reward Congressmen for spending and penalizes them for taxing, so therefore, you have a widening deficit occurring.

ASSEMBLYMAN MARTIN: Dealing with a practical world, how do you see Congress, which can't under Gramm-Rudman which does allow deficit spending-- How are they ever going to draft a budget, when you have a balanced budget amendment where they are going to be forced to make even tougher choices than under Gramm-Rudman? I mean I know there is a big black letter law that says that you will not be able to pass that budget, but I'm just trying to see our Congress in action trying to actually come up with a budget that they have to pass.

MR. LAMBERTON: Actually, the reason why it would work, is because the balanced budget amendment would give Congressmen an easy out, because when constituents and spending interests come to them and say, "Please, we want more money for this project," or, "preserve money for this project," they can say, "Okay, if I'm going to do that, I'm going to have to cut from somebody else. Now, who do you suggest I do that to?" That's the beauty of this thing. It does give members of Congress the opportunity-- And the force of the Constitution itself, which seems to have been pretty successful in every other area, like defending our First Amendment rights, etc.-- And it also would be upheld by the Supreme Court itself. It would have the authority of the Constitution, and the Supreme Court would be the balance that would make Congress do what the Constitution requires.

ASSEMBLYMAN ZIMMER: Bob, are you implying that members of Congress are less willing or able to abide by the

Federal Constitution that the State legislators are to abide by the State Constitution?

ASSEMBLYMAN MARTIN: I'm just trying to see how this would work out. In recent years Congress has put off passing a budget month by month because they can't operate now by Gramm-Rudman which allows some measure of overspending, if you will. I'm just wondering what would happen? I'm not so sure it's going to be as easy as Mr. Lamberton would suggest. I think the choices and the pressures made would at least be equally as difficult, because what's going to happen is that groups are going to try to make a more compelling argument that we should continue spending in a given area.

I mean, I wouldn't want to have to make a difficult choice in the area of cutting between transportation, clean water, and-- Let's say they are the two choices--

ASSEMBLYMAN ZIMMER: Well, Bob, we do, and we do it every June in the Assembly. It isn't easy, as you know. It's very difficult, and it's my personal conviction that if New Jersey didn't have a balanced budget requirement in our State Constitution, we'd run deficits all the time too.

ASSEMBLYMAN CHARLES: Mr. Chairman? You've heard a lot of people talk about the fear they have of an open convention -- just runaway covering of other areas of the Constitution, subjecting them to a change, attack, and elimination. You just don't even think that that's conceivable -- that it cannot happen at all?

MR. LAMBERTON: Well, from the basis of the testimony that I made here, for one thing I don't think it would ever get to a convention point if 34 states made the call. I think logic dictates that that would be the case.

ASSEMBLYMAN CHARLES: What logic? I've tried to follow you and I tried to follow this logic that you're talking about. You said that Congress hasn't done anything; Congress would act to save itself. That's basically the keystone of your logic, right?

MR. LAMBERTON: Can I put yourself in the position of a Congressman? How would you act and how would you feel?

ASSEMBLYMAN CHARLES: No, I'm asking you. What do you think will happen at that convention, whether it's probable or it's definite that the convention itself will be limited to just the balanced budget thing? What assures you that that's going to happen?

MR. LAMBERTON: Because legislation would be passed in Congress and it's required that it would have to be passed to provide enabling legislation to determine how the convention would be convened and what it may consider. That would be the guarantee that people seem not to be understanding.

ASSEMBLYMAN CHARLES: Well, we've already had constitutional people say that they don't even know whether or not this legislation is operative; whether it would control that convention. How do you deal with that? You say that legislation is going to control this convention from being a runaway one. I've heard constitutional people after thinking about this dispute say that they don't know whether Congress has the power under the Constitution to limit it, to control it at all. If that's true, what else do we have to assure us and what assures you that there won't be a runaway convention? Are you just confident irrespective of the ethicity (sic) and the effectiveness of that S-40? You say whether we have a S-40 or not, you're still certain that the delegates would limit themselves to just that--?

MR. LAMBERTON: Well definitely if we had S-40, that would limit the convention by an act of Congress to the purpose for which it was called. S-40 also provides for judicial review. Congress would be prohibited under S-40 from submitting anything drafted from a convention to the 38 states for ratification. I don't know how much more of a guarantee you want than that?

ASSEMBLYMAN CHARLES: I haven't heard anybody say that S-40 would be considered constitutional and binding. Has anybody said that?

MR. LAMBERTON: Okay, I'd like to point you how it would be--

ASSEMBLYMAN CHARLES: I'm asking the Chairman. If somebody answers that question, maybe I can abandon this line -- if somebody would just answer my question. Has anybody said that S-40 we know would limit and would be effective at controlling the scope of this convention?

ASSEMBLYMAN ZIMMER: Yes.

ASSEMBLYMAN CHARLES: Somebody said that would?

ASSEMBLYMAN ZIMMER: Yes.

MR. LAMBERTON: I'd like to address that. Under Section 18 of Article I of the Constitution which expressly empowers Congress "to make all laws which shall be necessary and proper to carry into execution the foregoing powers, 'foregoing powers meaning the Articles before that,' and all other powers vested by this Constitution in the government of the United States, or in any department or officer thereof."

Now, if we would bear the Constitution, if we respect it, then we have to believe in its force. What S-40 would be doing would be protected by constitutional law. I'm not a legal scholar. There are other people who could maybe talk more succinctly on this. But I submit that that is the explanation.

ASSEMBLYMAN BOCCHINI: Mr. Chairman, may I--

ASSEMBLYMAN CHARLES: I'm not finished yet. Suppose we don't have a S-40; suppose there's no S-40 enacted. Suppose there's nothing in the law that is known as S-40, then what is the scope?

MR. LAMBERTON: You cannot convene a convention without enabling legislation which sets the parameters. Since no constituency wants an open convention, it is logical to assume--

ASSEMBLYMAN CHARLES: Wait a minute. Hold it. You say no constituency wants an open convention. That's your statement, isn't that so?

MR. LAMBERTON: If you can name one for me, I'd love to learn about it, because there is none. The witness who was here before claimed that there are but he was not able to give any names of them.

ASSEMBLYMAN CHARLES: But what you're saying is that nobody has declared publicly that they want an open convention and that satisfies you that there won't be an effort to open the convention. That's basically your position. Is that it?

MR. LAMBERTON: I'm not saying that there won't be any effort, but if any effort is made, it will be a totally futile effort that will be unsuccessful, because laws would specify that anything that goes beyond the call of the 34 states, would not be able to be ratified by the 38.

ASSEMBLYMAN CHARLES: Let me ask you this question then. Suppose contrary to what your honest belief is, which is that the convention will be closed and be narrowed to just that one issue, suppose if by some accident or by some other intervention it becomes broader, and suppose that in this broadened convention other parts of the Constitution becomes subjected to the tag of aberration and elimination. Would you think then that that risk of undermining and rewriting the Constitution is worth going ahead with trying to move a convention on this narrow budget balancing?

MR. LAMBERTON: It's hard for me to answer a bunch of suppositions that I don't believe could ever occur. So I really can't answer that question. I don't suppose that we do have a runaway national debt. We're not even talking about a minor threat, an outside possibility, or a one in a thousand chance. It's here, it's living, it's real, it's now.

ASSEMBLYMAN CHARLES: Do you suppose or agree that there are elements within this country presently who would like

to rewrite the Constitution as it empowers and gives basic freedoms to people now? Do you deny that there is an element in the country that would do something with First Amendment rights, that will do something with Fourth Amendment rights, and will do things with other kinds of freedom that we've had for 200 years? Do you deny the existence of such elements in this society?

MR. LAMBERTON: I don't deny the existence that there might be such a thing, but I will deny the fact that I would find it hard to believe that these elements, wherever they might be, would succeed in getting their idea through 38 state legislatures for ratification. I mean that's just not going to happen.

ASSEMBLYMAN ZIMMER: Joe?

ASSEMBLYMAN BOCCHINI: No, never mind.

ASSEMBLYMAN ZIMMER: Any further questions?

ASSEMBLYMAN CHARLES: No, I have none.

ASSEMBLYMAN MARTIN: You made it obvious that you feel that Congress will never go this route by themselves and go under the traditional way of proposing an amendment. Do you see any other way short of this national convention of putting leverage on Congress to control spending?

MR. LAMBERTON: Well, let me just address a little of my experience. Since 1979, I have been off and on working full-time on this issue. I am a former policy analyst in the White House and I worked vigorously with and on Congress to try to do everything possible to convince Congress to act in both houses. The Senate passed it back in 1982. It fell 47 votes short in the House of Representatives in 1982 and it could only come to a vote as a result of a discharge petition. The problem we have, Assemblyman, is that the current House leadership is obstinate and will not allow a balanced budget amendment to come to a vote for reasons that I've stated in my testimony. Unless we have the prod of a convention, even just

one more state, then I think logic dictates that we would in fact have Congress act. That would put Congress over the top.

ASSEMBLYMAN CHARLES: Let me see. Help me understand the budgetary process in the Federal government. The President proposes--

MR. LAMBERTON: I don't know if you're talking to the right person about that, Assemblyman, but I'll do my best.

ASSEMBLYMAN CHARLES: Well you're talking about a balanced budget. So, I guess you know a little bit more about it than some of us. I confess I don't know too much about the process. You said that you worked down there and that you've been involved since 1979. So, you know a little bit more than the rest of us, probably. Now, the President puts forth the budget and then what -- Congress takes it and works it over? (laughter) Is that what you're saying?

MR. LAMBERTON: There are 13 appropriation bills that have to be passed. According to the budgetary laws, they have to be passed before the next fiscal year begins, and of course, that never happens.

ASSEMBLYMAN CHARLES: Has the President put forth a balanced budget? Has any President in the last 15 - 20 years or so, put forth balanced budgets?

MR. LAMBERTON: President Reagan has lobbied hard for a balanced budget amendment.

ASSEMBLYMAN CHARLES: Has he put forth a balanced budget?

MR. LAMBERTON: He has put forth budgets which would reduce the deficit. (laughter)

ASSEMBLYMAN CHARLES: The answer to my question is no, then. Let's talk about the last six years. In the last six years no President has put forth a balanced budget. Is that correct?

MR. LAMBERTON: Yes that's right.

ASSEMBLYMAN CHARLES: And no Congress has passed the balanced budget. And these are the people that we elect as President, Senators, and Congress people, right? Are you suggesting by the horrors that you project about the deficit that we're in, that all of these people -- our President, our Senators, our Congress people, and all of these who are responsible for the budget just are somehow forgetting about all the rest of us who they were elected to govern, and that they are doing these things and the rest of us know better than them what should happen in regard to the budget? Is that what you're saying? Oh no, let me put it this way. Are you saying that they are so interested in their own reelection and all of these things that they are subordinating the interest of the people and therefore have not put forth this balanced budget?

MR. LAMBERTON: Obviously the majority of Congress is in favor of a balanced budget amendment. It is the majority in both houses -- a necessary two-thirds in the Senate but not in the House. The problem is that you have parochial interests who are pushing for spending.

Let me give you an analogy. I'm stealing this from Jim Davidson. I hate to steal this but if you had 535 people and you called them members of Congress and you give them an open credit card where they can spend as much as they want and there is no limit on it, then what is to prevent -- or what is the interest of the each individual 535 people putting a limit on their spending? Because if they put a limit on their spending for their district, then you realize that somebody else is going to get more for their district.

So the obvious perverse incentive is to spend as much as you can and forget about tomorrow. That's exactly what's happening, Mr. Assemblyman.

ASSEMBLYMAN CHARLES: Unfortunately, I can't agree with you. I can't agree that all the people who represent us in Washington in the national government put their own

district, put their own reelection, and put all of those perverse incentives that you are talking about ahead of the future good and well-being of the country. Because that seems to be the heart of what you're saying. If that's what you're saying, I think that I have a great deal of difficulty agreeing with you. That's the predicate of all that you're saying -- that these people don't have the will, don't have the conviction, just don't have the interest of preserving this country economically and rather they protect their own interest. For that reason, they can't do what you consider to be the right thing. I can't agree with that thesis.

ASSEMBLYMAN MARTIN: It's a little more complicated than that. I think much of that probably is what he is saying. It goes back to what I was saying about how Congress would operate the budget, I think, even with a balanced budget. New Jersey, even though we have different interests, is not that far different. It's relatively a small area, but when you have a country as broad as the United States, you have these 435 Congressional seats, somebody from Maine may truly vote what he or she thinks is best for their district and it's not the same as somebody from California. I think that's part of the built-in problem. Their choices of spending are different. So the only way that they both are going to get their objectives is to allow both of them to spend. This is part of the problem.

ASSEMBLYMAN CHARLES: Nobody says it's going to be easy, Bob. Nobody said that their job is easy and that they don't have a self-interest to look at too, but I think that if you are considering them in the context of a constitutional amendment, that takes out the specific interest of this particular appropriations bill and so on. Like we're talking about now, are you saying that even in that context these guys are unable to do what is the right thing?

ASSEMBLYMAN MARTIN: In fairness to Mr. Lamberton, I think he's got history on his side, Joe, to support his argument. If you look since World War II or even prior to that, I mean in point of fact, we've continued to increase deficit spending. Everybody agrees that we're reaching a level where it's a crisis if not a potentially absolute catastrophe.

ASSEMBLYMAN CHARLES: Even on that question, Bob, I'm wondering whether how much of an agreement there is about deficit spending or whatever? I mean, how near are we to reaching this precipice over which all of us will sink into the sea? I mean, I'm not an economist, but I think there are different views on how far you can go into deficit, effectively.

ASSEMBLYMAN BOCCHINI: When you talk about a balanced budget do you envision the President is going to ask you for the billion line-item veto? I can see that being a part of that issue which I'm not necessarily opposed to myself. But at the same time--

ASSEMBLYMAN ZIMMER: I think we're getting out of focus here. Joe, you're suggesting that in fact because all the elected Senators and Congressmen and Presidents who have generated these enormous deficits over the years, and because you're not going to conclude that they've been doing it in their own self-interest, that they are in fact embodying the national interest and that the public wants \$200 million deficits year after year?

ASSEMBLYMAN CHARLES: I think that they are representing the public's interest. I think as they see the public's interest, they are representing it. That's my belief. I'm not so cynical as to believe that they are all down there serving their own purposes. Is that what you believe, that they're down there serving their purposes?

ASSEMBLYMAN ZIMMER: I believe that any elected official has to serve the public's interest, but is also interested in coming back to serve the next term. The fact is,

as Professor Buchanon, winner of the most recent Nobel Prize in Economics pointed out, that there is a divergence and a growing divergence between the personal political interest of a Congressman who wants to get reelected and the public interest which is expressed in every poll that I've seen by an overwhelming majority in favor of a balanced budget.

This is not a system that has been endemically unable to balance the budget in the first 150 years of the Constitution. It's only with the growth of the special interest groups and the change in the method of Congressional election campaigns that we've had this problem, in my opinion. I do agree with Professor Buchanon that what you proposed and what you disagreed with is, in fact, the case. Because of a flaw in the system, individual Congressmen are subverting and subordinating the public interest to their own political involvement.

ASSEMBLYMAN CHARLES: Are all economists agreed that the deficit spending, that balanced budgets, and the way to run the national government-- Is there 100% unanimity on that among economists -- that we should have a balanced budget in operation with the Federal government?

MR. LAMBERTON: The Keynesian theory is that it's okay to run deficits during bad time--

ASSEMBLYMAN CHARLES: Can you just answer that as yes or no? Are all economists agreed that we should have balanced budgets?

MR. LAMBERTON: There is a small minority that doesn't think so.

ASSEMBLYMAN CHARLES: I have no further questions.

MR. LAMBERTON: I don't think there's one economist that thinks that \$200 billion a year, year after year that's heading towards \$3 and \$4 trillion is a good idea.

ASSEMBLYMAN ZIMMER: Any further questions? Thank you very much.

MR. LAMBERTON: Thank you.

ASSEMBLYMAN ZIMMER: I think the only person who would substantially disagree with an endorsement of continuing deficits might be Jack Kemp. I'll sign you on for his campaign, if you'd like.

ASSEMBLYMAN CHARLES: No, I'm already on. (laughter)

ASSEMBLYMAN ZIMMER: I'd like to call the State Representative, David Halbrook from Mississippi.

REPRESENTATIVE DAVID HALBROOK: Thank you Mr. Chairman. I am flattered to be invited here to testify. I want to start out-- I have a sketch of some remarks that I wanted to make, but I'm going to skip them initially here at the beginning to attempt to address a couple of issues that have arisen.

There has been a good bit of discussion about the guarantees of what a convention will do. I can guarantee you what the convention cannot do. The convention cannot amend the Constitution. There are two ways that amendments can be proposed to the Constitution. One is the Congressional method and this is the one that has usually been used or always been used. But Congress does not amend the Constitution.

The other method is the constitutional convention. But the convention cannot amend the Constitution and I guarantee that to you. The only way that the Constitution can be amended is by ratification of a proposed amendment, and that ratification by three-fourths of the States.

It was interesting to me to get handed on the way in, an article here -- I do not know who's putting it out or anything else -- "Plotting to Rewrite the U.S. Constitution" by Phyllis Schlafly. Considering the fate of the ERA amendment, I would think that the lady would know that there is only one way that the Constitution can be amended, and that is by ratification by three-fourths of the States.

Let me go back to my prepared remarks a little bit now. There were two or three things-- You know it doesn't

make any difference where you go or what the activity is, there are three things that people always want to know. One of them is who you are, where you're from, and what you do. Well, I am David Halbrook. I am from the heart of the Yazoo Mississippi Delta and the metropolis of Mississippi, the garden spot of the South, the pride of the nation, and the culture center of the world, the shining light of the universe, and the golden buckle on the cotton belt. (laughter)

ASSEMBLYMAN MARTIN: We missed a town here. (laughter)

REPRESENTATIVE HALBROOK: It's just north of midnight and just beats the daybreak. It spells home. You've heard of it many times before, I know.

ASSEMBLYMAN CHARLES: Our Bob is well-traveled.

REPRESENTATIVE HALBROOK: What do I do? I am a farmer. I raise cotton, corn, soybeans, rice, and catfish. I am in the real estate business. My real estate business is somewhat different from what most people think of as real estate. I do not sell on commission. I am a commercial property developer and I buy and sell for my own account.

ASSEMBLYMAN BOCCHINI: You make real money then. (laughter)

REPRESENTATIVE HALBROOK: The people have been good to me. Just incidentally, I serve in the Legislature. I have been in the Mississippi Legislature for 20 years now. The people have been very kind to me and I greatly appreciate it.

In that 20 years, I guess I could be classified as a conservative, because I still live in the same house that I started in, I still sleep in the same bedroom that I started in and, and I still sleep with the same wife that I started with. (laughter) I think I have set some sort of record in that in the five terms that I have been elected, I have served four different districts. They have redistricted me at every opportunity it seems, but so far I've fooled them.

On the question of a constitutional amendment, we have become, as quite often happens, bogged down in some details and items that are thrown in the way of looking at the principles involved. I want to ask you two or three questions now. Can you name me any country in recorded history which has become great because of the amount of money it owes? Can you name me a single one? Can you name me any country, not just in recorded history but today, which is in trouble because of the amount of money it owes? I think that everyone, not only seated at this table but in this room, could name several.

There is one thing that is necessary for economic success. That one thing or that one item is production. Regardless of how you approach it, government is essentially a non-productive enterprise. Now, I've been in the Legislature for 20 years and a lot of times people ask me what I do. I quite often am tempted to tell them that I am a manufacturer, and my principal product is waste paper. (laughter) This is the product of government. Now government is necessary. I'm not saying no government. But it has to be a reasonable government. It cannot dominate every aspect of life, unless you believe in communism.

One problem that has bothered me for a number of years is the principal source of income in Mississippi. This has begun to bother me even more lately because I find that the same source is the principal income in other states. The principal source of income in a number of states now is transfer payments. What are transfer payments? Those are payments where money is taken from one account and taken to another account without any good or service being exchanged.

There are a number of forms and types of transfer payments. The reason that I bring this up is because I want to get back to a principle; the principle that I've just reiterated: Production is necessary. If you do not have production, then your economy will fail. Transfer payments quite often inhibit or are the antithesis of production.

We have been down this road attempting to get a balanced budget for some time now. You know, I am reminded in this discussion this morning -- the debate that is going on -- of a conversation I had with a man about four years ago. This was in my last election. I was running in a new district again -- about a complete and total stranger. I told him, I said, "One real problem you have in government, is that no one ever brings you a bad cause." And this is true. If any of you have been in government for any period of time, or know anything about it, then you know this is true. They all bring you good causes. All causes which are brought to government are good causes.

I have to compare all forms of government, other than the Federal government, at least though, to my own financial process. I would like to support all good causes. I cannot do it. I would like to support the Boy Scouts, the Girl Scouts, the Brownie Scouts, the Cub Scouts, the Sea Scouts; the United Way, the Salvation Army, the Red Cross, the St. Thomas Episcopal Church, the First Baptist Church, the Presbyterian Church. I would like to support all of those, but I cannot do it. I do the best I can.

The same thing is true of state government, at least. State government cannot support, unfortunately, all good causes, and no one ever brings a bad cause. You do have to set priorities. The setting of priorities does not mean that you are against any particular cause; it just means that there is some other cause which you think deserves more attention.

The reason this comes to mind, is because of the man I met. I didn't know him; he introduced himself. He said, "The remarks you made reminded me very much of my position in my church." "How's that?" "I am Treasurer of my church. We have just gone through the budget process at our church, and we found that, in our church we could not support all of the good

causes we would like to support. There were some items and some things which we had been supporting and contributing to in the past, that we had to either decrease or eliminate." This is true also, unfortunately, in government.

Now, the Federal government has been operating in a somewhat different fashion. I gave you one guarantee a little earlier. I am going to give you another guarantee. I guarantee that if the Federal government continues to operate in the fashion in which it is currently operating, some of you younger people here will pay for it. All of your children, and your grandchildren, and their children will pay for it -- all of them. Now, do you want your children, your grandchildren -- and, you younger people -- do you want to pay for what I am going to enjoy? I hope not. Quite frankly, I would rather pay my own way.

Money, as such, is not worth anything. You can't wear it; you can't eat it; and money, unless you have a bundle of billion dollars -- a billion dollars in bills -- won't keep you warm in the wintertime. If you had enough to burn, it might. There is no use saying "This won't happen here; this type of thing won't happen here." You can look at many cases where-- We have had a lot of jingoism here this morning, you know, adjectives which really paint a picture for you. We have had a lot of jingoism here this morning. We've had runaway conventions. Well, I think the possibilities of runaway inflation are a whole lot better.

I can give you several examples of runaway inflation that have led to absolute disaster: Germany -- immediately after the First World War. Right now, in Brazil, right now, in Mexico. There is no use saying, "It won't happen here." When I was young, my mother and father took me and my brothers to Mexico. In Mexico, I was quite fascinated, quite entranced by the centavo -- a great big thing, about that big, about as big as a 50-cent piece. If there is anyone here from south of the

Mason-Dixon line, about as big as a four-bit piece. I took my children back to Mexico when my oldest daughter was a senior in high school.

ASSEMBLYMAN MARTIN: Mr. Representative, I've just got to tell you: New Jersey, from Ocean County down -- about the lower third of it -- is south of the Mason-Dixon line. So, we are open to all different points of view.

REPRESENTATIVE HALBROOK: That's great. The lower third of New Jersey has just gone up in my esteem. (laughter)

I took my children to Mexico, and one thing I really wanted to show them because it had impressed itself so much on me, was the centavo -- this great big penny -- this penny that was as big or bigger than a 50-cent piece. We got down there, and I looked and looked and looked, and I couldn't find one anywhere. So, finally I asked someone, a native down there, "What happened to the centavo? I wanted to show my children a centavo." He said, "Oh, they're all gone." "But, what happened to them?" He said, "People took them and made buttons out of them. They weren't good for anything anyway."

Now, that is what happened to the money. If there is anyone in this room who thinks that can't happen here, then I would like to point you to the policy of the Federal government, the inflation we have had. As an absolute proof of it, since this is April 13 and income taxes are due on April 15--

ASSEMBLYMAN CHARLES: Damn, I knew I had something to do.

REPRESENTATIVE HALBROOK: The IRS-- If you will look on the form furnished by the IRS, you no longer have to enter cents. You don't have to enter pennies, nickels, dimes, or quarters, because they aren't worth anything anyway.

We must get some fiscal restraint on the part of the Federal government. We have tried for years, and there is no other way to do it other than a constitutional amendment. We

had the Congressional Budgetary Reform Act. Birch Bayh assured us that it has worked. It has served no purpose. You ask about Gramm-Rudman-Hollings. That was done with very thin smoke, and very warped mirrors. I see absolutely no hope in Congress and/or the Executive in doing it. Right now, because of the process we have, one gives butter, and the other gets guns.

And, that's it. I appreciate very much your being here -- my being here -- someone calling this meeting. If anyone has any questions, I would be more than glad to attempt to answer them. I think the things I have told you are absolute truths, absolute principles, and can be proven by a look at either ancient or recent history.

Thank you.

ASSEMBLYMAN ZIMMER: Thank you. Questions, Marion, Bob, Joe? (negative response) Thank you very much.

REPRESENTATIVE HALBROOK: No questions?

ASSEMBLYMAN ZIMMER: Representative, you pretty well covered it. Thank you very much. It was a very enjoyable presentation.

REPRESENTATIVE HALBROOK: I would like it if I could get a result of the hearings.

ASSEMBLYMAN ZIMMER: All right. Thank you. We will send you a copy of the transcript.

Senator Byrd has arrived, so I would like to call the Honorable Harry F. Byrd, Jr.

S E N A T O R H A R R Y F. B Y R D, J R.: Good morning. Thank you, ladies and gentlemen of the Committee. I appreciate being permitted to say a few words at this hearing today. Being in the State Legislature causes me to say that, while I roamed the United States Senate as an institution -- where I spent 18 years-- I enjoyed much more my 18 years of service in the Virginia Legislature.

When I went to the United States Senate in 1965, I was very reluctant, and indeed refused, to join with those who, at that time, were pressing for a constitutional amendment to mandate a balanced Federal budget. Having come from the Legislature, and having realized that virtually all of the states had a mandatory requirement, I had hoped that we would not need to go that far with the Federal government, realizing that the Federal government has what states do not have, a matter of foreign policy to deal with, and the matter of national defense to deal with.

So, I had hoped that this matter could be handled by the Congress itself, and that the Congress itself would be willing to handle the question of balancing outgoing and income. But, we could not get the votes to do that in the Congress until 1978. In the summer of 1978, I got through the Senate, legislation which would mandate a balanced budget by statute. It passed the Senate; it passed the House of Representatives. It was signed by President Carter in October, 1978. Now, this was only 17 words. The statute was: "Beginning with Fiscal Year 1981, total outlays of the Federal government shall not exceed total income."

Now, that amendment had a great deal of acclaim, until the time came to implement it. (laughter) When the budget was being drawn and the votes were being taken -- beginning early in 1980 -- then, at that point, the Congress -- and the Administration, too, for that matter -- decided it wasn't necessary to comply with the statute. That statute is still on the books. It is the forerunner of Gramm-Rudman. Gramm-Rudman was only enacted last year, and there is every indication that, as a practical matter, it will be scuttled this year, in essence -- in effect.

Now, if we agree there is a major problem -- over the country ~~everyone doesn't agree with that~~ -- I happen to feel that there is a very serious problem facing our nation, when we

consider that we have had only one balanced budget in almost 20 years; we have only had three balanced budgets in almost 40 years; when we consider that in the last five years -- just the last five years -- the magnitude of our deficits has been such that our national debt has doubled from \$1 trillion to \$2 trillion in that short period of time; when we consider also that in the current budget, the interest cost on the national debt -- in the current budget -- is greater than was the total cost of government only 22 years ago.

So, it seems to me that it is essential that something be done to bring our Federal finances into better shape. Having seen the Congress go the statutory route twice with my proposal in 1978, and with the Gramm-Rudman proposal last year, we know that they refused to obey the earlier law, and they are getting prepared to scuttle last year's law. So, frankly, I don't know what other course we can take, other than to mandate the Federal government to live within its means by a constitutional amendment.

As I said at the outset, I much prefer that we not have to go the constitutional route, but I don't know of any other course that can logically be taken, other than to have a constitutional amendment mandating a balanced budget.

I wanted to come here today to express my deep concern to this Committee and to the New Jersey Legislature, because what we have been doing, particularly my generation-- We have been mortgaging the future of the young people of this country. We have been mortgaging their future; we have been operating on a totally unsound basis, with \$200 billion deficits five years in a row; a trillion dollars in five years. Having been a politician all of my life, having served in elective office for two-thirds of my adult life-- I am a politician, and I know, from my service in the Congress, that I can guarantee this: Most politicians will say -- as many of my colleagues have said to me over the years -- "Don't worry

about the deficit. All we have to do is ask for the debt." Now, it just seems to me that sooner or later, the debt's got to stop. Admittedly, the Federal government can go much longer on the deficit route than an individual family can -- obviously -- or a company can, but even a great country such as we have, cannot, in the long run, totally disregard the need to have a sound financial structure. In the long run, I don't think we can have a strong national defense unless we have a strong economy and a sound financial structure.

So, I am appealing to each of you this morning -- this afternoon it is now -- to give careful consideration to supporting this call for a convention to bring about a balanced budget proposal. Today, incidentally -- as the previous witness mentioned -- is April 13. This is Thomas Jefferson's birthday. Being a Virginian, I am somewhat partial to Thomas Jefferson, and I am partial to almost everything he said, being a Jeffersonian, but what particularly comes to mind today is a statement he made: "Put not your faith in man, but bind him down from mischief by the chains of the Constitution." This Constitution, of course, provides two ways by which the Constitution can be amended. The historic way, and the probable way, is for the Congress to initiate an amendment and submit it to the states. The other way-- Those who drafted the Constitutions -- James Madison, another Virginian was foremost in that drafting process -- provided another way; that is, if the Congress refuses to act, then the states, acting through their own legislatures, can petition the Congress for a convention to bring about whatever desired constitutional change the states might conclude would be needed.

I don't want to take any more of your time. I sat on that side of the table for 36 years, and I know how boring these hearings can be, particularly on a subject where there is no political sex appeal. So, I just thank you again for permitting me to join with you this morning. (applause)

ASSEMBLYMAN ZIMMER: Thank you for joining us, and thank you for reminding us that it is the birthday of that famous Virginian, Thomas Jefferson. As you know, Thomas Jefferson was not a member of the Constitutional Convention because he was ambassador to France.

SENATOR BYRD: Yes.

ASSEMBLYMAN ZIMMER: He wrote a letter back to the United States commending the Constitution, but pointing out that in his mind it had one flaw, which was that it allowed the Congress to run a deficit. I am hopeful that perhaps we are on our way to correcting that flaw that Jefferson perceived in the Constitution.

SENATOR BYRD: I think that showed his wisdom.

ASSEMBLYMAN ZIMMER: It certainly did.

SENATOR BYRD: May I make one comment at this point? You had a great Governor of this State, who was born in my state -- Woodrow Wilson. I want to pay tribute to Woodrow Wilson today also. (laughter)

ASSEMBLYMAN ZIMMER: Okay. Are there any questions?

ASSEMBLYMAN MARTIN: May I just ask one question?

ASSEMBLYMAN ZIMMER: Assemblyman Martin?

ASSEMBLYMAN MARTIN: We speculated, I think, before you came in, Senator, as to why it is so difficult for Congress, even with the recognition of most members of Congress that this course of action -- this huge annual deficit -- continues to go on-- Most of them would probably agree that they have to tidy up their ship. Yet, it is never done on a yearly basis, including the Administration, regardless of whether Republican or Democrat. Why do you think it is so terribly difficult for Congress members to do it themselves -- to keep their own house in order?

SENATOR BYRD: Well, I have found that it is much easier for us to vote the appropriations knowing we don't have to balance a budget. We just say, "Well, if we appropriate

more money than comes into the coffers, all we'll do is just add it to the debt." That is a prevailing-- It has changed somewhat in the last few years, but for a long time -- and it is still a majority I think -- this was the way they felt. We can go ahead and spend what we want to spend, and just add it to the debt, and we will worry about that at some later date.

It gets back to politics. The difference between the Virginia Senate, for example, and the United States Senate, is the difference between a topnotch college football team -- which would be the Virginia Senate -- and the Redskins or the Cowboys, which would be the United States Senate. We are so-called professionals when we get there, and the desire, for most of us -- for most politicians -- is to continue in office and to vote the way most likely to get you continued in office. Voting against appropriations, voting against this pressure group, or against that pressure group, or against some other pressure group, does not appeal to most of my colleagues as being a good way to get yourself reelected.

ASSEMBLYWOMAN CRECCO: That is a safe commentary, but I think, Joe, that answers your question from before. You asked about the Representatives, would they -- or are they only going in their own interest, the interest of their own district?

ASSEMBLYMAN CHARLES: See, you interpreted his answer as saying that they all--

ASSEMBLYWOMAN CRECCO: As I say, that is a commentary. I don't know. That sort of answers some of your questions.

ASSEMBLYMAN CHARLES: I think it is a response, but I am trying to figure out if he is saying that they all vote just to be reelected, without regard to other things. I mean, is that what he said?

SENATOR BYRD: No, I would not want to be interpreted as saying that. (laughter) What I am suggesting is, naturally, people want to be reelected.

ASSEMBLYMAN CHARLES: To the detriment of the national interest? I mean, without regard to the people, or the mortgaging of the grandchildren, and all the rest of it? They just want to be reelected; the hell with future generations; the hell with the stability of the country; the hell with all of that. All they want to be is returned to office. I mean, is that the proposition that is being--

SENATOR BYRD: No, Mr. Charles, that is not what-- I would not want you to interpret my view as being that. The majority of the people in the Congress are very conscientious, but they have also seen, over a period of time-- Now, this is an accumulation. It happened only a few years at a time, and then another stretch, and so forth. But this is an accumulation. The Congress has seen, over a long period of time now, that the budget has not been balanced, the national debt has greatly increased, and they don't see the need -- the majority of them don't see the need-- I am not trying to say bad motives at all; I want to try to make that clear. They do not see the need to take undue risks, should I say, in their voting habits, in order to get this country back on a sound financial basis.

ASSEMBLYMAN CHARLES: One question: Bringing the country back to a so-called sound financial basis-- We are talking about dealing with the deficit, right? And, in dealing with that deficit, and those who we are talking about bringing it back to some better position, are we talking about just reducing spending -- the appropriations part of it -- or are we also talking about raising revenues, too?

SENATOR BYRD: Well, a constitutional amendment, of course, would have to-- Number one, it would have to be drafted. It hasn't been drafted yet. I would assume it would not deal with either taxing or spending. It would bring into focus -- or put into focus -- the need, the mandate for a balance of outgo with income.

ASSEMBLYMAN CHARLES: What is the general feeling, though? In dealing with this trillion-dollar debt and the other yearly deficit we have, are we talking about just cutting back in Federal budgets, such as lowering things, or are we talking about raising the revenue side of it? Let me explain what I am talking about.

Everybody is saying, "People want this." You know, they want a balanced budget. Someone ran for President a couple of years ago, and said, "What we have to do is raise the taxes." I mean, there may be other reasons why he lost, but a lot of people said, "That is the mistake you made, telling people you want to bring the budget into balance by raising the taxes," and the people said, "No--" Everybody said, "No, don't tell me that. I don't want my taxes raised."

I think people could argue that that is one sentiment people have. So, I think it is important to the discussion to figure out whether we are talking about cutting back appropriations, or whether we are also talking about raising revenues. The proposal I heard about raising taxes-- I mean, politicians don't want to hear that. They don't ever want to talk about passing bills that would impose taxes on people, because that gets them unelected. The people don't want to hear it. They won't elect people who talk about raising taxes. So, you know, I am trying to find some way of reconciling this proposition that people want a balanced budget, with the fact that people never want to hear a discussion about raising taxes.

SENATOR BYRD: Well, the individual to whom you refer-- We went to the Senate together the same year, and I watched his campaign very carefully. I don't believe he ever used the words "balanced budget."

ASSEMBLYMAN CHARLES: No, he didn't.

SENATOR BYRD: He said, "raise taxes."

ASSEMBLYMAN CHARLES: Right.

SENATOR BYRD: But I don't think he ever used the words "balanced budget," because he never voted for a balanced budget when we were in the Senate together.

To get to your question, this amendment -- this proposed amendment-- As I say, it hasn't been drawn, but I would assume that any amendments drawn would not deal with the question of raising taxes or reducing spending. They would deal with the question of balancing the budget. There are a number of ways you can do that. Personally -- to put my personal view in it -- once you set a level of spending -- which we now have at \$2 trillion -- I don't see where there is much likelihood of that figure being reduced. It is a question as to how much you increase it. As I say, we have increased it very substantially. One year -- of course, that goes back seven or eight years ago -- we increased it 17% -- in one year, the spending. We have moderated that increase in more recent years.

ASSEMBLYMAN CHARLES: What is the common thinking on reaching this balanced budget and bringing things back into line, if there is any common thinking? Are we really talking about raising taxes to make it up, or what are we talking about? How is it going to be made up?

ASSEMBLYMAN MARTIN: Just say no. (laughter)

SENATOR BYRD: This is probably not a very good thing for me to say, but in an effort to try to encourage you to look at this balanced budget amendment, it seems to me to get back -- for this country to get back on what I conceive to be-- I must admit, most of my congressional colleagues don't agree with me, but to get back on what I conceive to be a sound financial basis, it is going to take a combination of restraining spending and some additional revenue. It is going to take a combination of both.

I do not see, from a practical point of view -- or from any other point of view for that matter -- how you are going to reduce spending below what you are spending now.

ASSEMBLYMAN CHARLES: Just one final comment: We all hope that one day we will be able to come before a state legislative committee and say that we have been in the United States Senate, and we have been in state legislatures, and we are happy to be back. Our Chairman is going across the hall from us soon. He is going over to the Senate. Bob and I, and Marion and Joe, are going to stay here on the Assembly side. He is leaving us, so he may beat us down to Washington.

ASSEMBLYMAN ZIMMER: I won't forget my friends, Joe. Are there any further questions? (no response) Thank you very much for joining us, Senator. (applause)

SENATOR BYRD: Thank you.

ASSEMBLYMAN ZIMMER: Representative Halbrook has informed the staff that he has about one minute more to add to his earlier commentary.

REPRESENTATIVE HALBROOK: Thank you very much, Mr. Chairman. It is not often in this life that you get a second chance, and I do appreciate it. I think Assemblyman Charles may have answered his own question here a little earlier. He was talking about why Congress did what they did. Well, they don't talk about raising taxes, because it gets them unelected. They don't talk about cutting appropriations, because that, also, gets them unelected.

Assemblyman Martin asked a question here as to how the constitutional amendment might affect the operation of Congress and why it would make things different from the way they are now. Congress can amend laws, change laws, ignore laws, suspend laws. We see this done. One of the real problems we have had in recent years, is the fact that Congress will not pass a budget and operate under a continuing resolution. The reason they are able to do this is because they can amend, suspend, ignore the laws.

~~I do not think Congress -- in fact, I know that~~
Congress does not have the power to do with the Constitution

what they can do with laws. If you had a constitutional mandate for a balanced budget, then that would do away with the continuing resolution form of operation. They would have to operate within the monetary constraints that were there.

I thank you very much for allowing me to do this.

ASSEMBLYMAN ZIMMER: I call Wayne Dibofsky, New Jersey Education Association.

W A Y N E D I B O F S K Y: Thank you, Mr. Chairman and members of the Committee. I am Wayne Dibofsky, Associate Director of the 123,000-member New Jersey Education Association. We appreciate the opportunity to speak today on a critical issue of central importance to the future of the United States of America.

Recently, a young man walked into the National Archives and smashed the case containing the original United States Constitution. None of us can conceive of his motives for this shocking act, and yet the move to call for a second constitutional convention at this point in history may be as reckless and unconscionable an act.

As a basic document granting powers to the national government and protecting the rights of its citizens, the United States Constitution has stood the test of time. It has served our nation well as the framework for a governmental system that has had to deal with many varied events and crises in our history. So sound was the work of the framers, that the Constitution has been amended only 26 times in its 200-year history.

The amendment process has also served us well. All 26 amendments thus far adopted have been proposed by a vote of two-thirds of both houses of Congress and ratified by the legislatures of three-quarters of the states.

The alternative procedure for proposing amendments -- a constitutional convention called by Congress on application of two-thirds of the states -- has never been used. Since the

Constitutional Convention in 1787, no subject has been deemed so grave a threat as to warrant a constitutional convention call.

Our founding fathers had the wisdom to establish a system of government flexible enough to survive 200 years of history and, during that time, the enormous commercial, technological, and cultural changes of our society. Of the 16 amendments since the Bill of Rights, seven have dealt with the structure of government, five expanded voting rights, and two expanded civil rights. All previous constitutional amendments, with the disastrous but instructive exception of Prohibition, have been enacted to achieve goals which could not have been accomplished by simple statute.

The present call for a constitutional convention -- driven by the effort to pass an amendment requiring a balanced Federal budget -- does not fit within the scheme of the Constitution. As Justice Oliver Wendell Holmes said, "A Constitution is not intended to embody a particular theory."

What, then, are the dangers of the constitutional convention? The prospect of a runaway constitutional convention cannot be taken lightly. Previous speakers have spoken to that degree. The framers of the current Constitution met in 1787 for the sole and express purpose of revising the Articles of Confederation. They had no mandate or authority to restructure the government, and yet they did. They even established an extra legal procedure for ratifying their actions. In a quiet, second revolution, the Constitutional Convention of 1787 overthrew an existing form of government.

Former Justice Arthur Goldberg stated, "History has established that the Philadelphia Convention was a success, but it cannot be denied that it broke the restraints intended to limit its power and agenda." Logic, therefore, compels one conclusion: ~~"Any claim that the Congress could, by statute,~~ limit a convention's agenda is pure speculation."

If, by precedent, Congress cannot limit the convention's agenda, can the states? The framers of the Constitution considered and rejected language that would have allowed the state legislatures to propose specific constitutional amendments. In its place, as a protection in extraordinary circumstances, the framers of the Constitution provided for a constitutional convention, free of the control of both Congress and the state legislatures.

Do not doubt that they were well aware of the grave consequences of such a provision. As James Madison wrote 200 years ago: "Having witnessed the difficulties and dangers experienced by the first Convention which assembled under very propitious circumstances, I should tremble for the result of a second."

A constitutional convention would be nothing less than a fourth branch of government. What then are the dangers of this balanced budget amendment we speak of today? Can those who support this movement to call for a convention for the sole and express purpose of considering a balanced budget amendment be assured that such an amendment would be passed? They cannot. The worst possible forum for deliberating on critical, sensitive, technical, economic policy matters is the kind of constitutional convention being proposed, one which could be uncontrollable and subject to emotional and demagogic appeals.

Consider that a proposed constitutional amendment requiring a balanced budget has been brought before Congress several times; most recently in the 99th Congress, where it was defeated in the United States Senate. In recent years, proposals to call for a constitutional convention for this purpose have been defeated by Republican and Democratically controlled state legislatures in Connecticut, Michigan, Hawaii, Illinois, Maine, Minnesota, Montana, Washington, Missouri, and Kentucky.

Is a balanced Federal budget amendment desirable? When the first state legislative resolution calling for a constitutional convention to pass a balanced Federal budget amendment was passed, conventional wisdom stated, unequivocally, that the only way to lower the devastating inflation rate was to balance the Federal budget. Ten years later, what do we see? The Federal deficit for Fiscal Year 1986 was estimated at some \$240 billion -- the highest ever. And yet, the annual inflation rate for Fiscal Year 1986 was estimated at just over 3%.

Annual Federal deficits have been at or above \$200 billion for five of the last six years. The national debt doubled during the last five years. And yet, the inflation rate throughout this period continued to decline. This fatal flaw in the economic theory which drove this movement -- more than anything else -- points up the folly of attempting to establish a simplistic, rigid, unrealistic, arbitrary constitutional amendment which cannot possibly meet the specific and immediate economic fluctuations that occur.

This is not to underestimate the crisis of the national debt, which you have also addressed in your comments. The problems of fiscal and monetary policy can, and should, be addressed through the legislative process provided by the Constitution. In fact, there is in effect now, a law requiring Congress to establish just that -- a balanced budget by 1991 -- called "The Balanced Budget and Emergency Deficit Control Act of 1985."

If, however, states demand a balanced budget amendment, they could impose a fiscal strait jacket upon our Congress that would handcuff the ability of the Legislative Branch to use its taxing and spending powers to address the true national needs in time of economic crisis.

~~Experts tell us that during a recession, a balanced budget requirement would make such downturns far more severe.~~

Unemployment Compensation and social welfare problems would be choked off. It would be virtually impossible to secure the legislation needed to create jobs and stimulate the economy, or to fund new defense needs. Incomes would erode and investment would be discouraged, resulting in deeper recessions, deeper budget cuts, lower revenues, and higher unemployment. Ultimately, this balanced budget strait jacket could possibly destroy the very fabric of the Federal programs in education, housing, health, transportation, job creation and training, unemployment assistance, and public works; prevent adequate enforcement of labor, antitrust, civil rights, and other laws; undermine regulatory programs protecting health, the environment, and consumers; and, wipe out Federal research and development funds for health, science, energy, and agriculture.

The necessity of maintaining fiscal flexibility is best judged against the worst economic disaster of this century -- the Great Depression. President Roosevelt used the Federal budget and deficit spending to create programs to help put the country back to work. In 1937, when the economy began to show signs of recovery, Roosevelt and the Congress cut expenditures to eliminate the deficit. An economic relapse resulted. Unemployment went from 14% to 19% by 1938. When Congress reversed the gears and widened the deficit, economic recovery began again.

A study done by the Council of Economic Advisors in 1979 showed that if the Federal budget had been balanced during the 1974-1975 recession, the real GNP would have plunged by 12%, rather than 2.5%, and unemployment would have shot up to 12%, rather than 8.5%.

A more recent study showed that if a balanced Federal budget were required for Fiscal Year 1985, unemployment would have increased by nearly five million, the GNP would have declined by approximately \$700 billion, Federal expenditures would have had to be cut by \$400 billion, and state and local

tax revenues would have dropped by \$80 billion -- due to a drop in employment and output.

Federal budgeting is, in fact, a complex, subtle, and evolving process that cannot, and should not, be constrained within the strait jacket of several immutable paragraphs in the United States Constitution.

The Declaration of Independence states, "Prudence, indeed, will dictate that governments long established should not be changed for light and transient causes." Let us heed this advice.

In 1787, New Jersey was the third State to ratify the present United States Constitution. This is a source of great pride for the citizens of our State. In 1987, let us preserve that tradition and abandon the proposition of its dissolution.

Thank you.

ASSEMBLYMAN ZIMMER: Thank you very much. You sort of took us on a tour through the 20th century economy in your descriptions of the situation at the depth of the recession, the recovery of the recession, going into World War II, and the late '70s and the mid '80s. In each case, you argued that the data -- or experience -- dictated that it was an inauspicious time to balance the budget. Is there any time that is the appropriate time to balance the budget? The latest date you focused on was 1985, which is well into an economic recovery. If you can't balance the budget during a recession, and you can't balance the budget during a recovery, when are you going to do it?

MR. DIBOFSKY: I think the sense is, Assemblyman, that under the economic constraints of the government-- I think the earlier answer by Senator Byrd is probably on target, that the time needed to extend ourselves to balancing the budget has to be looked at, and programmatic cuts as well. I think that if we are ~~willing to undertake, and bite the bullet to foresee the~~ program changes that we have to make in the socially changing

times of this country, then perhaps the time, over an extended period of time, is here now. But I think we have, in essence, on the Gramm-Rudman-Hollings, at least a tool to begin that. I think we ought to let that scenario play itself out before we undertake constitutional changes at this time.

ASSEMBLYMAN ZIMMER: NJEA does not endorse Gramm-Rudman-Hollings, does it?

MR. DIBOFSKY: No, we do not.

ASSEMBLYMAN ZIMMER: You violently opposed it.

MR. DIBOFSKY: The NEA has a policy opposing it, yes.

ASSEMBLYMAN ZIMMER: But, you're saying we should--
What are you saying about Gramm-Rudman then?

MR. DIBOFSKY: The mechanism is in place. We would prefer, as a policy-making body, to see that governmental structure and that law and statute continue through the process.

ASSEMBLYMAN ZIMMER: Do you believe that Gramm-Rudman is working?

MR. DIBOFSKY: It is providing, at this point, somewhat of a breakage on the economy. To that degree, it is working; to a greater extent that we believe a constitutional amendment would, with all of its pitfalls.

ASSEMBLYMAN ZIMMER: Are you familiar with what has been happening in the House of Representatives and the budget that the House passed?

MR. DIBOFSKY: Yes, to a degree.

ASSEMBLYMAN ZIMMER: Do you believe that that has complied with Gramm-Rudman?

MR. DIBOFSKY: Well, in the House-appropriated budget, a direct answer would be, "No, it has not." However, it has also requested cutbacks in other areas. So, there is a balancing mechanism needed here, and I think if the political structuring to be in Washington would take a hard-earned look at the balancing mechanism, I think it could be accomplished, just as it is in the State of New Jersey, even though we comply with a constitutional amendment here.

ASSEMBLYMAN ZIMMER: More specifically, this coming fiscal year's budget is supposed to have a \$108 billion deficit, according to the Gramm-Rudman timetable, although the House Budget Committee claims that that budget deficit figure will be achieved-- The Congressional Budget Office -- the nonpartisan arm of Congress itself -- will not certify to that and, in fact, says that the deficit will be \$25 billion more than that. Do you have any response to that situation?

MR. DIBOFSKY: I have not looked at those figures, so I would not want to make a statement on that. I will, in fact, look at them, though.

ASSEMBLYMAN ZIMMER: Is it the view of NJEA that if, indeed, the budget is balanced by a workable mechanism, that education programs will suffer disproportionately?

MR. DIBOFSKY: I think historically over the last five years in the Federal budget, that has already been a proven fact, that the budgets have struck harder at socialized programs, including aid to education. It has had a specific impact here in the State of New Jersey.

If the current administrative budget were put into effect here in the State of New Jersey, the educational programs in the State would lose approximately \$58.9 million in current Federal aid. The State of New Jersey could not absorb that, so programs would again be cut. We are talking Chapter I, Chapter II, and reauthorization programs for adult education, specifically.

ASSEMBLYMAN ZIMMER: Thank you. Are there any questions? Marion, Bob?

ASSEMBLYWOMAN CRECCO: No.

ASSEMBLYMAN MARTIN: I have a question. Maybe Wayne can comment on it. You are more familiar than all of us; I think we all concede that. How much discussion has there been in terms of -- with a balanced budget -- an escape hatch for so-called emergencies, such as the depression and war? I know that is one of the items on the table.

ASSEMBLYMAN ZIMMER: The amendment that has gotten two-thirds support in the Senate and majority support in the House, and is pending in a similar form, would, first of all, allow a deficit for any reason if 60% of each house and the President agree to run that deficit. It would be inoperative in wartime. It seems to me that in the event of a national catastrophe, short of war, that certainly 60% of the Congress would recognize that need, and would vote for it. It is considerably more flexible, obviously, than state constitutions, including our own.

Are there any further questions? (no response) Thank you very much, Mr. Dibofsky.

I would like to call now Pat Witmer, New Jersey State Chamber of Commerce.

P A T R I C K W I T M E R: Thank you very much, Mr. Chairman. My name is Patrick Witmer; I am Director of Legislative Affairs for the New Jersey State Chamber of Commerce.

The State Chamber fully supports ACR-54, legislation calling for a convention to propose a balanced budget amendment to the Constitution of the United States. The State Chamber's Legislative Program of 1987 has endorsed this initiative as one of the Chamber's top legislative priorities of the year.

We have heard repeated promises from Congress -- hollow promises -- about how one year soon, the Federal budget will be balanced. Congress is quick to make promises, but it seems that its members no longer share a moral commitment to balance the budget.

A decade ago, the budget deficit averaged about \$35 billion per year. Today, our nation is facing a \$200 billion deficit, and a \$2 trillion debt that could cripple our economy in a recession. More money than ever before -- money that could be used to create jobs and stimulate lasting economic growth -- is being used to finance our national debt. We are

the world's largest debtor nation, and there is no end in sight to the amount Congress is willing to mortgage our future.

New Jersey has the opportunity to join 32 other states in saying, "Enough is enough." By supporting the call for a balanced budget amendment, we are taking a responsible and calculated step toward forcing Congress to adopt and enforce a balanced Federal budget. If we do not act now, neither will Congress.

Article V of the Constitution of the United States makes it possible for the American people, working through their state legislatures, to invoke necessary constitutional changes balked at by Congress. The State Chamber of Commerce is hopeful that a constitutional convention will never be needed. But, we believe the threat of one may be necessary, if we ever hope to control the spending spree in Washington. Just as Congress preempted the need for a convention nearly 75 years ago by approving an amendment to the Constitution calling for the direct election of Senators, the 99th Congress can also be prodded into taking responsible action to solve our budget problems.

The State Chamber recognizes those groups and individuals who are still concerned about a runaway convention. We believe, however, that in the extremely unlikely event a convention should be convened, enough safeguards exist to prevent any issue other than a balanced budget amendment from being considered. Consider that:

The convention calls of the 32 state legislatures, and the language of ACR-54, set specific limits which would prevent other issues from being considered;

It is the official position of the American Bar Association that Congress can establish procedures limiting a convention to the subject matter stated in the applications received from the legislature.

The United States Supreme Court, in the event of other issues being considered, could declare that the delegates exceeded their constitutional and statutory authority, and could stop the amendment from being submitted for ratification; and,

Finally, it would take just 13 states to refuse to ratify what the delegates to the convention proposed, thereby blocking it.

Clearly, it would require an overwhelming amount of support from all sectors of our nation to ratify what may be proposed by a convention. If it takes 34 states to call for a convention to consider a balanced budget amendment -- or any other amendment -- if New Jersey becomes one of those 34 states, then it seems reasonable to assume that New Jersey must also be among the 38 states needed to ratify that amendment. Now, if absurd amendments to our Constitution are called for by this convention, it also seems likely that New Jersey would have to be in a position to ratify those absurd amendments, such as gutting our Bill of Rights. I don't think that anyone here could realistically assume, or believe, that the Legislature of New Jersey would take such an absurd action as to gut the Bill of Rights or, for that matter, approve any other absurd constitutional change.

In fact, the only real risk that exists in the consideration of this issue is that Congress will not be forced to put an end to our nation's runaway debt. Thomas Jefferson said, "We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves." The New Jersey Legislature can play a key role in restoring this moral commitment, the framers of our Constitution sought to provide.

The New Jersey State Chamber of Commerce appreciates this opportunity to speak in support of such a crucial issue, and we urge the members of this Committee to vote yes on ACR-54.

Thank you for your attention.

ASSEMBLYMAN ZIMMER: Thank you very much. It is a delight to have the Chamber of Commerce supporting a bill of mine.

MR. WITMER: Very often. Senator-elect, we hope to do that in the future, also.

ASSEMBLYMAN ZIMMER: Thank you. Are there any questions? (no response) Thank you very much, Pat.

MR. WITMER: Thank you very much.

ASSEMBLYMAN ZIMMER: I would like to call Gregg Rackin, Coordinator, New Jersey Citizens to Protect the Constitution.

G R E G G R A C K I N: Mr. Chairman, members of the Committee, thank you for extending me this time to address you. I am Coordinator of the New Jersey Citizens to Protect the Constitution, which includes the American Jewish Congress, of which I am the Coordinator for the State of New Jersey.

I would like to share with you today the remarks of Governor Thomas Kean at our National Domestic Policy Conference, which was held in Washington a month ago. Governor Kean had the following remarks concerning the issue of the deficit, and how we should go about resolving it. I quote from a speech presented by the Governor:

"The issue of the Federal deficit includes the entire domestic policy agenda. It must get resolved, but we have to watch how we do it. We cannot just resort to some arbitrary and mandatory scheme like Gramm-Rudman. That doesn't work; it hasn't worked; and it won't work.

"Some are suggesting a constitutional convention. I have my doubts about that. I do not believe that the way to solve the problem of the deficit is to open up for amendment the entire Constitution of the United States. If anything, we must now be more vigilant about the Constitution than ever before, because the pressure from the deficit may lead to the

legislation of political expedience which may threaten our individual freedom.

"I am particularly concerned about any possible amendments to the Bill of Rights. The Domestic Policy agenda is about protecting individual freedom. The Constitution remains our only defense. No, we don't solve this problem with a constitutional convention."

Respectfully, I submit Governor Kean's remarks to this Committee -- and I have copies to distribute -- noting that he is not only the leader of our State, but a strong leader of the Republican party.

I also took the liberty of contacting the New Jersey Senators in Washington, and I would like to share with you a perspective from Senator Frank Lautenberg, concerning the issue of a constitutional convention and the possibility that that may lead to. I also have a letter from Senator Bill Bradley, which I will distribute after my statement. This letter from Senator Lautenberg is addressed to me:

"Thank you for contacting me about my perspective on a constitutional amendment requiring a balanced budget.

"As a member of the Senate Budget and Appropriations Committees, I have worked to reduce the deficit and to restore a sound fiscal policy. Over the last five years, government spending on domestic programs has actually dropped as a share of the total economy. However, defense spending and the interest on the Federal debt have increased.

"During Senate Budget Committee consideration of the Fiscal Year 1988 Budget Resolution, I supported Senator Chiles' budget proposal, which would result in a balanced budget by the end of Fiscal Year 1991, through the careful setting of priorities. This budget would reduce Federal borrowing by \$100 billion below the President's budget. Total deficit reduction through 1991 would equal \$282 billion, a product of evenly distributed savings derived from domestic cuts, military

spending restraint, and revenues earmarked solely for deficit elimination.

"Dealing successfully and fairly with the deficit also demands that we look at new approaches. I have supported legislation to raise revenue through the establishment of a Federal tax amnesty. In addition, I have proposed that revenue be raised through the sale, to the private sector, of loan assets held by the Federal government.

"While I remain committed to reducing the deficit, I have several reservations about a constitutional amendment requiring a balanced budget. It is not necessarily an effective substitute for dealing with our budgetary problems. The Constitution consists of a fundamental set of democratic principles. It should not include procedures for fiscal or economic policy. As a practical matter, such an amendment could limit flexibility to deal with prevailing economic conditions, national security needs, and other emergencies.

"I am also concerned about the risks of attempting to adopt a balanced budget amendment through a constitutional convention. It is far from clear that a convention could be limited to the matter of a balanced budget amendment, as its advocates maintain. Our Constitution has served us well, embodying our democratic values and shielding individual liberties and rights from the periodic extremes of public opinion. A convention is fraught with the danger that the delicate balance incorporated in our Constitution would come unravelled. That is a risk too great for the American people to bear.

"Our nation's economic future depends upon reducing the Federal budget deficit, and reordering our fiscal priorities. Ultimately, we must do that, not by tinkering with the nation's Constitution, but by making the difficult decisions that must be made.

"Instead of incorporating a balanced budget requirement into the Constitution, Congress and the Administration should legislate policies to reduce the deficit. Recent congressional actions to bring revenues and spending closer into balance are long overdue steps in the right direction.

"I will continue to work in the Senate Budget and Appropriations Committees to reduce the deficit and to put our economy on the footing that will ensure prosperity in the future. Sincerely, Frank R. Lautenberg"

I have no testimony to offer, other than to share with the Committee the remarks of Governor Kean and the sentiments of Senator Lautenberg. I am prepared to give you these statements from the Governor and the Senators.

ASSEMBLYMAN ZIMMER: Just to clarify the situation, it is clear that Senator Lautenberg is opposed to a constitutional amendment to require a balanced budget. What is your understanding of the Governor's position on that?

MR. RACKIN: I cannot speak for the Governor. In his speech to the National Domestic Policy Conference of the American Jewish Congress, he raised a very high concern over our fiscal problems. I cannot speak for him, so I do not know what his feelings on that would be.

ASSEMBLYMAN ZIMMER: He did speak favorably in his speech about a constitutional amendment calling for a balanced budget. In fact, it is two paragraphs after you stopped reading the excerpt. So, in fact, as I read the Governor's speech, he endorses a balanced budget amendment, and wants Congress to enact it, but the member of the Senate who has responded to you says that he will not.

Does your organization have a position in favor or against such an amendment?

MR. RACKIN: The amendment or the convention?

ASSEMBLYMAN ZIMMER: The amendment.

MR. RACKIN: I cannot answer that. I am not sure where the organization would stand on that. I believe the organization -- and I am not sure -- is opposed to the amendment. I cannot verify that.

ASSEMBLYMAN ZIMMER: I will not press the point, because you evidently don't have the information.

We have heard-- Let me just check. Did we hear from your organization in our October hearing?

MR. RACKIN: Yes, you did. Marilyn Rosenbaum (phonetic spelling) gave testimony to this Committee.

ASSEMBLYMAN ZIMMER: I have no further questions. Joe?

ASSEMBLYMAN BOCCHINI: The Governor favors the amendment?

ASSEMBLYMAN ZIMMER: Yes.

ASSEMBLYMAN BOCCHINI: Conversely, it appears from his statement that he is fearful, and I would suggest opposes the convention.

ASSEMBLYMAN ZIMMER: Well, I have just been discussing that question with the Governor's Counsel's office and, in fact, it is a question. It is under review in Counsel's office. I am told there is going to be a more definitive statement coming later. I am certainly not going to characterize his position, if his office won't.

MR. RACKIN: Well, may I interject? I think--

E D W A R D M c C O O L (speaking from audience): I have met with Governor's Counsel -- Mr. McGlynn -- specifically to congratulate the Governor for opposing the convention. Mr. McGlynn thanked me for sending congratulations, and confirmed, in fact, that the Governor was opposed.

ASSEMBLYMAN ZIMMER: Mr. McCool, first of all, you were not recognized; secondly, Mr. McGlynn is not in the Counsel's office. He is not the Counsel.

ASSEMBLYMAN MARTIN: Just so we're clear, the Governor does not participate in this decision. Unlike the law in New Jersey, the Governor will not act on this.

ASSEMBLYMAN ZIMMER: That is correct.

MR. RACKIN: I would offer this: After the Governor presented his remarks to us at the National Domestic Policy Conference, we sent thanks to him for directly opposing a constitutional convention. This was within three days after he presented these remarks. We have not received any information or indication from him to the contrary. As I said, from his speech, "No, we don't solve this problem with a constitutional convention--" He was thanked for that. He never responded in any way, in writing or over the telephone, saying that he disagreed with that.

ASSEMBLYMAN ZIMMER: I think it is fruitless for us to argue among ourselves what the Governor's position is, when the Governor can clarify it in--

ASSEMBLYMAN BOCCHINI: I think the Governor's position speaks for itself.

ASSEMBLYMAN ZIMMER: Well, the Governor's staff spoke for him this morning to me. We will let the fullness of time clarify the situation.

Do you have any questions, Joe?

ASSEMBLYMAN BOCCHINI: No, thank you.

ASSEMBLYMAN ZIMMER: Okay, thank you very much. Rabbi David Gelford.

R A B B I D A V I D G E L F A N D: I would like to begin by clarifying that my name is Rabbi David Gelfand -- F-A-N-D.

ASSEMBLYMAN ZIMMER: Oh, sorry, it's a typo on the list.

RABBI GELFAND: I am a member and supporter -- an ardent supporter -- of an organization called People for the American Way, representing approximately a quarter of a million people across the country, well over 10,000 of them in the State of New Jersey. I have also been asked to speak this morning on behalf of the Union of American Hebrew Congregations, its Commission on Social Action, the National

Federation of Temple Sisterhoods, and the Central Conference of American Rabbis. Thus, as a rabbi, I am here to speak on behalf of Reform Judaism, representing the largest segment of the American Jewish community and, as well, my congregation here in Trenton -- Har Sinai Temple.

As a rabbi, my role is to be a teacher and, therefore, to relay facts. In that vein, I am very, very pleased and honored to be able to be here this morning, particularly since in over one-half of the petitioning states, my colleagues, and people who think like myself -- or, as well, even those who support ACR-54 in like-minded measures -- never had the opportunity to attend public hearings, never had the opportunity to hear floor debates, nor did they have the opportunity to hear their legislators called before a roll call vote on convention requests. Therefore, I am extremely pleased to be able to be here to share my thoughts with you, as well as to represent the organizations -- each of them that I have so stated that I represent today.

I recently had the opportunity, in Washington, to hear people in our Federal government discuss this and numerous other issues. At that time, one prominent Senator used an illustration of a story, which I would share briefly with you, that being the fisherman who, on the first day of the fishing season, returned to town with the equivalent of all that a license would allow him to catch through a season. Someone quickly ran and got the game warden, the fish warden, or what have you. The man was so astounded that he requested that he go fishing with him the next morning to see how he did it. He went out in a rowboat with him to the middle of the lake. The man didn't even have a fishing rod with him. He appropriately then reached into his fishing tackle box, took a stick of dynamite, and threw it into the water. Lo and behold, hundreds of fish surface.

The game warden was astounded, and quite disturbed, so much so that he began yelling at the fisherman. Finally, the fisherman, not willing to sit there any more and be chastised, took another stick of dynamite out, handed it to the game warden, and said, "Are you going to keep talking, or are you going to start fishing?"

It seems to me that many people support a variety of issues and, in this case, the issue of a balanced budget, but, like the fisherman, who goes out and attempts to fish with dynamite-- The opportunity is there to do as much as one wants -- an elected service -- as well as those who seek to lobby in our system. At the same time, one has the opportunity, unfortunately at times, to destroy the very system which has been created by our history.

To begin with, I would state this morning, though not an attorney-- I was disturbed this morning to hear the use of the American Bar Association's position or non-position. Therefore, I chose to make a phone call at my own expense this morning, to seek out exactly that position or non-position. While it is true that a committee has taken a stand, which would thereby presume-- The presumption would be approval of a constitutional convention. I have been informed -- and I have been informed that members in this room have likewise received a letter -- that if Congress were to pass procedures that are now pending before the Congress, it would create a constitutional convention which would not be viable. As well, on the issue of a balanced budget, I have been informed by the American Bar Association that they have no position on a balanced budget. There is acknowledgement, of course, that a committee has taken a position.

In particular response to the assertion that Article V is clear that Congress must call a convention if 34 petitions are received, the congregation on the application of the legislatures of two-thirds of several states shall call a

convention for proposing amendments. Moreover, in "The Federalist 85," Alexander Hamilton, an author of our Constitution, wrote: "The words of this article are preemptory. The Congress shall call a convention. Nothing in this particular is left to the discretion of that body." In other words, once Congress has received 34 petitions, it cannot ignore them and avoid calling a constitutional convention by passing an amendment. It is factual what would happen.

Faced with this, convention proponents have sometimes shifted their position in various states, including information that I received, stating that, in fact, only one more state is needed -- the 33rd -- to force Congress to pass an amendment. Though I have not heard this stated here this morning, I have received information that states that there are those who feel so. They cite the 17th Amendment -- direct election of Senators -- which has been referred to here, as an example of effective use of the convention threat. Not only are they historically inaccurate as to the events surrounding the adoption of the 17th Amendment, but they absolutely ignore the refusal by Congress to produce an amendment overriding the Supreme Court's decision on one man/one vote, even though 33 states petitioned for a convention at that time.

Convention supporters also assure the public that even if a convention is convened, there is no danger that it would consider any issues other than the particular amendment for which it was called, and so we have been informed here again. It seems to me that this bold assertion ignores the considerable historic precedent, for it would be impossible to find a more persuasive precedent for an opening convention's agenda than the founding fathers' actions in 1787 and the actual language of Article V, where the reference is made to amendments -- in the plural.

~~With respect to the current convention campaign,~~ it should be noted that while offering assurances of a limited

convention -- as we have had today -- supporters of a convention have unabashedly suggested other issues the convention might want to consider. Therefore, I follow on the heels of the report given by the International President of B'Nai B'Rith International, Seymour Reich, who discussed these issues with me upon his exiting. I informed him I would be glad to share these thoughts with him, as I did then, and as I do with you now. Jim Davidson, Chairman of the National Taxpayers' Union, has not only declared himself a candidate for delegate if a convention should be called, but in a LA Times interview, stated: "A convention could introduce other mechanisms for balancing budgets and for exceptions to balanced budgets." According to the article, Davidson said, "These mechanisms might include a provision for vetoes of parts of bills, and for national referendums on whether a specific budget should include a deficit." He also said he favors a return to the gold standard.

In his recent book, "Presidential Economics," former Nixon adviser, Herbert Stein, recalled that Milton Friedman, a founder and sponsor of the National Tax Limitation Committee, which also advocates a convention, has a catalog of seven constitutional amendments that would impose their brand of economics on the Constitution -- this is a quote -- "in areas including international trade, wage and price controls, taxes, the money supply, and inflation protection." In modern parlance, they are participating in a bait and switch game, offering assurances of the convention's limitability, while engaging in the preparation of a secondary agenda for convention consideration.

In addition -- and People for the American Way would be glad to document each one of these statements -- other alternative agendas already known to exist in the event the convention is convened, include: abortion, school prayer, tuition tax credits, busing, return to the gold standard,

parliamentary system versus our current system of government, State autonomy, expatriation of all citizens not of Western European origin, abolition of labor unions, and direct election of the President. Again, People for the American Way will be glad to document each one of these. The possibility that the convention would adopt a set of amendments as a package is a matter of serious concern, for much like the Bill of Rights, a package of take-it-or-leave-it amendments, under the aegis of a balanced budget, might well be the product of a convention. Such a package could include not only a balanced budget amendment, but also any of the above-mentioned issues, certainly under the aegis of Federal funds for each and every one of those items, or others.

Finally, assurances are given that if by some chance the convention strays from its authorized agenda, the Congress and the courts will step in to rein the runaway "convention" back to its proper jurisdiction. However, there are numerous scholars who warn that even if Congress passed limiting legislation, a convention, once assembled, could reject any, or all restrictions on its activity, and assert its supreme authority by virtue of its direct authority from the people. In other words, a reenactment of the actions of 1787's convention.

With respect to court interjection, former Supreme Court Justice Arthur Goldberg has said, "If convention issues are not reviewable, then the convention would take place outside our system of checks and balances, and the dangers of a runaway convention increase. If convention issues are reviewable by the courts, then serious enforcement problems would arise."

Professor Lawrence Tribe (phonetic spelling), of Harvard Law School, believes that even if the myriad legal questions surrounding a convention were ultimately resolved, at the very least they would involve domestic political

confrontations of nightmarish dimensions between Congress and the convention, between Congress and the Supreme Court, and between the Supreme Court and the states.

Convention advocates also offer the ratification process by state legislatures as a safe harbor mechanism which would guarantee the rejection of any constitutional mischief -- as we have heard again today -- by such a convention. Again, precedent refutes the assurance; that is, Article V and the results of the 1787 convention make it particularly clear that in practical terms, Congress may have an extremely limited watchdog capability over any product of a constitutional convention. In 1787, the founding fathers understood that Congress could avoid sending the new Constitution to the states for ratification, because the convention had acted outside its limited authority. They also understood that the new Constitution was unlikely to be ratified by the requisite number of state legislatures, by virtue of the new powers vested with the Federal government, lessening state autonomy.

As a result, they by-passed the entire system and changed the rules for ratification. At that time, you may remember, they excluded Congress and the sending of the Constitution to state ratifying conventions, rather than state legislatures. Of course, they made sure that the delegates were sympathetic to the new charter of government.

So, too, could the product of a new convention be sent to state ratifying conventions, rather than state legislatures. Delegates, unlike state legislators, would not be selected for their stand on a single issue, and would not be answerable to any constituency or campaign finance laws. By way of illustration, it should be pointed out that the 21st Amendment repealing Prohibition was sent to state ratifying conventions, rather than state legislatures, by virtue of the controversial nature of the issue and the strong influence of special interests on state legislators.

Therefore, it might be that the animal that is created by us and others could not only run around us, but, as well, could in the long run even devour us.

There are others who would also comment, within the realm of those who object to this issue, as I heard before the statement of approval of this concept by a Nobel laureate in economics. We must note that there is another Nobel laureate of economics, James Tobin, of Yale, who sees all of this as totally problematic, so much so that he is deeply concerned, as are Walter Heller and others, that all of these events could destabilize our domestic financial markets and, as well, have a major impact on our Federal and international relations with other countries because of domestic economic markets and world economic markets impacted by the very existence of a convention.

My concern overall, fundamentally, is not alone the issue, as you can obviously see, of the balanced budget, but rather, more significantly, like Governor Hughes, who spoke earlier. It cannot be separated from the issue of a constitutional convention. This evening I, as a rabbi, like many Jews across New Jersey, begin the celebration of the most significant of Jewish holidays, a holiday which recalls the issue of freedom, well-known by all through the Exodus from Egypt. It was a statement for freedom that has been reenacted across the years -- reenacted again and again, even here in American history. Of course, no one elected the Pharaoh, and no one elected Moses, but let us remember as well, that it was not much more than 50 years ago, when an individual, in one of the most celebrated countries of the world, was able to use the system, and then manipulate it to his own concerns, in the hope of saving the economic status of his country, Germany.

Tonight, approximately 13 million Jews around the world will state that we were slaves in Egypt, but are proud now to be free. The Constitution of the United States has ensured that those who live here do have freedom. It is an

insurance policy of the ultimate kind. I would hope, with ultimate concern, that the freedom we have will be ensured again and again through the retention of the Constitution as it now exists and, as well, protecting the Constitution as we have lived with it for 200 years.

Thank you.

ASSEMBLYMAN ZIMMER: Thank you. I hope you will leave a copy of your testimony with us.

RABBI GELFAND: I will have it retyped and resubmitted to you tomorrow.

ASSEMBLYMAN ZIMMER: The reason I would like to have it now is because Mr. Davidson -- to whom you alluded -- was here before, and he is going to be coming back. I would like to have him respond.

RABBI GELFAND: Will he be here today?

ASSEMBLYMAN ZIMMER: Yes. He is out to lunch at the moment.

RABBI GELFAND: I will leave this with you, if you want.

ASSEMBLYMAN ZIMMER: Or maybe we can have it Xeroxed, and you can take it with you.

I would like to have some clarification about exactly who has this hidden agenda, and exactly how they are going to manifest it.

RABBI GELFAND: I think there are a variety of agendas which have been stated. Obviously, the two that I alluded to in particular were not only that of Mr. Davidson, but, as well, another--

ASSEMBLYMAN ZIMMER: I think Mr. Davidson can speak for himself, but on your description of the position of Milton Friedman--

RABBI GELFAND: I didn't mention Milton Friedman today.

ASSEMBLYMAN MARTIN: Yes, you did.

RABBI GELFAND: No, I mentioned Walter Heller.

ASSEMBLYMAN ZIMMER: You said Milton Friedman had-- You mentioned him after you mentioned Mr. Davidson.

RABBI GELFAND: No, after Mr. Davidson I mentioned the Presidential Adviser to President Nixon, Herbert Stein.

ASSEMBLYMAN ZIMMER: Well, who was it who wanted the gold standard and wage and price controls?

RABBI GELFAND: That was Stein. I'm sorry, no, excuse me. I will have to go back through--

ASSEMBLYMAN MARTIN: You did mention Milton Friedman.

RABBI GELFAND: I would be glad to go through this more carefully (referring to his written statement). I'm sorry. I did not state that he -- Milton Friedman-- Rather, that Herbert Stein recalled that Milton Friedman was a founder of the National Tax Limitation Committee, and was also an advocate of the convention. But, I did not speak quoting Mr. Friedman; I quoted Mr. Stein.

ASSEMBLYMAN ZIMMER: What Mr. Reich told us this morning, was that many of those who wanted to call a convention, have also stated publicly that they want to use the convention to achieve ends to achieve constitutional amendments other than a proposed budget amendment.

RABBI GELFAND: I heard him say that, yes. I did not say that. I said that there are those who have alternative agendas. I did not say it was a majority of those who have--

ASSEMBLYMAN ZIMMER: No, I am just asking you for any of them -- the names of any of them -- who want to have the constitutional convention -- this balanced budget convention -- in order to achieve amendments other than a balanced budget amendment.

RABBI GELFAND: I would be glad to return with that information; I would be glad to have it submitted to you through People for the American Way. I would be glad to do that. ~~I do not have that list in front of me, and I wouldn't~~ want, in any way, to identify anyone with each of those issues which I so stated.

I only really used that reference -- thought I had it in my notes -- by virtue of the fact that Mr. Reich had made reference to it, thereby adding an additional paragraph to my testimony this morning -- this afternoon.

ASSEMBLYMAN ZIMMER: You can see why this is such an important point.

RABBI GELFAND: Well, I have so stated that I would be more than willing to see that each of those is submitted to you.

ASSEMBLYMAN ZIMMER: Please do.

RABBI GELFAND: As I said, it was not a part of my presentation until I heard questioning of the fact, as though such people had not made such comments.

ASSEMBLYMAN ZIMMER: Okay.

ASSEMBLYMAN BOCCHINI: Dick?

ASSEMBLYMAN ZIMMER: Yes, Joe.

ASSEMBLYMAN BOCCHINI: There is continual questioning by the Chairman and by people who speak in favor of the proposal-- There is a suggestion that names should be produced -- and I believe that they probably will be in the course of time -- as to those persons, or groups, who would have ulterior motives in setting up a runaway convention.

Now, the way I view the Constitution, the Bill of Rights, and everything that we basically stand for in this country-- Whether it is real or perceived, the document itself -- the Constitution itself -- is there to protect. The mere fact that the perception is there by certain people that this would happen -- the fear of that -- I think is sufficient grounds for us to take into consideration the possibility. You know, the suggestion that unless you show it to me it can't exist-- You know, I don't care how long we debate this one, I will never buy it. You know, you've got to prove it to me in cold black and white. Well, sometimes things do not get proven until it is a little too late. I don't think we can take the chance, in this day and age, with our country, to allow

something like that to happen, based on, well, you know, nobody has shown me directly with cold, black and white proof that this exists.

The fact that there are people who sit in homes and in forums across this country who believe that the possibility exists-- We have the same right to protect them, as we do to protect the people who want the balanced budget. Personally, I see merit in a balanced budget, but when you have to weigh the two factors, you know, looking into that colloquy and debate--

ASSEMBLYMAN ZIMMER: Okay. I respect your views.

ASSEMBLYMAN BOCCHINI: I respect the speaker's views, too, and I don't think we need to intimidate the people who come in front of our Committee, by saying, "Give me the names; give me the names; give me the names."

ASSEMBLYMAN ZIMMER: I am not asking him--

RABBI GELFAND: I thank you. I don't feel in any way intimidated. As I stated when I spoke--

ASSEMBLYMAN BOCCHINI: I didn't suggest it was you necessarily.

RABBI GELFAND: No, but I am just saying, I stated when I spoke that People for the American Way would be more than happy to submit that information to you.

ASSEMBLYMAN ZIMMER: As someone who has been pursuing this issue for years, I have a particular interest in learning this information because, although I have heard over and over again from the opponents of those who would use the convention to subvert our system, to me, I think we have to act more on the basis of fact, than on inchoate fears. To the extent that you can clarify this and provide me with facts-- All of us can be guided by that. Thank you.

RABBI GELFAND: Would you like this information sent directly to you?

ASSEMBLYMAN ZIMMER: Send it to the Committee, please. It will be included in the transcript.

RABBI GELFAND: Thank you.

ASSEMBLYMAN ZIMMER: And, if you could get a Xerox copy of the page that refers to Mr. Davidson, I would appreciate it. Thank you.

Mr. Daniel Mitchell, Citizens for a Sound Economy.

DANIEL J. MITCHELL: Ladies and gentlemen of the Committee, I would like to thank you very much for the opportunity to speak before you on an issue of such importance to the future of this country. My name is Daniel Mitchell. I am speaking on behalf of Citizens for a Sound Economy, a 250,000-member public policy organization dedicated to policies promoting economic growth.

I am especially happy to be here since Dr. Buchanon has been mentioned several times, and this testimony-- I am a student of Dr. Buchanon's in the Doctoral Program in Economics at George Mason University, and I know he has a special concern with issues like this. He wants to put constraints on Congress for the betterment of this country.

I am also glad to be here to offer some alternative economic opinions, especially since at times in this testimony we have gotten a special interest reinterpretation of economic history that is, frankly, far from the facts.

I think we all share a concern that Federal government deficits are a threat to the long-term stability of the American economy. The issue here is not whether government spending is too high or too low. Such normative issues are debated in Washington, D.C., all the time. What is at issue is the unconstrained ability of policymakers to shift the burden of today's government spending onto future generations, for this is what deficit spending does. The national debt, which is the accumulation of all past deficits, is not just money we owe ourselves. It is debt we incur that our children must pay.

The national debt currently approaches \$2.3 trillion. This figure is nearly, and will soon surpass, \$10,000 for every

man, woman, and child in the country. Only 10 years ago, in 1977, the national debt was \$709 billion. In just one decade, politicians of both parties have tripled the burden we place on the backs of generations yet to come.

This is not to say there are not high present costs to deficit spending. Interest payments on the national debt this fiscal year are projected to be nearly \$140 billion. This is the third largest item in the budget, after welfare spending and defense. Indeed, if it were not for the past deficits which necessitate \$140 billion in interest payments, the deficit would almost be balanced this year.

America has been fortunate, at least in the short-term, because so much of our government debt is being purchased by foreigners for investment purposes. In effect, the trade deficit has saved us by giving foreigners dollars, which they have been using for investment in the United States. Table 1 in the testimony indicates how foreign investments have offset government deficits.

Another immediate cost of deficit spending is that funds which could be used for capital investment are being soaked up by the Federal government. Naturally, the impact this has on our competitiveness should not be understated. With so much government borrowing, interest rates are certainly higher than they would otherwise be, and private investors are driven out of the market. Whether they cause a factory to close, prevent a family from purchasing a home, or preclude a consumer from buying a car, high interest rates caused by Federal government borrowing impose costs on the economy.

An analytic investigation of historical figures indicates deficits are the result of an unparalleled increase in government spending. Since Fiscal Year 1980, Federal government spending has increased by \$425 billion, more than double the increase in inflation. Furthermore, Federal government spending as a percent of GNP has reached 24%,

considerably higher than the 20% postwar average. If Federal government spending had only kept pace with inflation since 1980, the budget would be in surplus today.

Contrary to popular perception, the deficit cannot be attributed to tax cuts. Federal government tax collections have jumped by \$325 billion since Fiscal Year 1980. Tax revenues have grown by almost double the inflation rate, and are running higher than their postwar average as a percentage of GNP. It is theoretically possible that additional tax increases could solve the deficit, but it certainly would not do the economy any good.

I would like to note at this time that the fact that Congress makes economic choices which harm the nation does not necessarily imply that they consciously put their own electoral interests ahead of the interests of the country. Another Nobel Prize winner in economics has written a great deal on the unintended consequences of human action. I think the deficit spending by Congress is certainly evidence of legislators, who might otherwise be well-intentioned, making choices that are not in the best interests of the country.

My remarks so far have been directed at the need for a balanced budget amendment. Some people claim they are for a balanced budget amendment, but against a constitutional convention. My point is that if you agree with my previous comments, that restraints have to be placed on Washington policymakers if this country is to experience long-term economic health, then any route which would do so, including a constitutional convention, is both proper and necessary. Finally, fears raised by convention opponents on both the right and left should be exposed to the unfavorable light of reality.

Reflexive opposition to a constitutional convention indicates a distrust for the founding fathers, who, in their wisdom, recognized that there would be times when the people would need to by-pass an unresponsive Congress to make

necessary changes. Opponents should recognize that Congress is the group that gave us the deficit crisis; they are hardly likely to solve it. They resist anything which would rein in their powers. Indeed -- as has been expressed already today -- Congress only passed the 17th Amendment, allowing the direct election of Senators, when the individual states were on the brink of calling a constitutional convention for that purpose.

It might very well be the case that New Jersey, by becoming the 33rd state to call for a constitutional convention, could force Congress to take action. Many political observers are confident that this would be the case. However, even if Congress refused, and a convention were necessary, this is not a cause for alarm.

First of all, most opponents of the convention are simply against it because they oppose a balanced budget amendment. They feel the special interests they support would somehow suffer if fewer Federal dollars were distributed. This may be true, but this decision should be made on the basis of what is best for the nation. Some opponents of the convention, particularly professed supporters of balanced budgets, simply fear the unknown. Their attitude is, if we don't know what will happen, it must be bad.

This know-nothing attitude is often mixed in with talk of conspiracy. Supposedly, eastern liberals will secretly take control of a convention and pass a host of proposed amendments with terrible results. I don't believe we need to waste the Committee's time discussing such nonsense.

Furthermore, the endless debate on whether a--
ASSEMBLYMAN BOCCHINI: How about the southern conservatives -- what would they do?

MR. MITCHELL: If they were at a convention?

ASSEMBLYMAN ZIMMER: Joe, Joe, let him finish his testimony.

ASSEMBLYMAN BOCCHINI: I take umbrage with the reflection on eastern liberals.

ASSEMBLYMAN ZIMMER: Joe, let him--

ASSEMBLYMAN BOCCHINI: I worry about southern conservatives. I'll be back after he is finished talking.

MR. MITCHELL: I was deriding those who were accusing eastern liberals of somehow having a conspiracy.

Furthermore, the endless debate on whether a convention can be limited is also a poor use of time. Let us examine the worst case scenario. Assume radicals of whatever persuasion got control of a convention somehow. Also assume they passed out amendments on their pet issues. Is this something to be feared? Absolutely not. Any and every amendment passed by a constitutional convention must still be ratified by 38 states. The claim that radical amendments will somehow leap this hurdle is preposterous.

Even an amendment with as much support as the ERA was unable to muster 38 states. The D.C. Voting Rights Amendment did not even get approved by 20 states. Proposed amendments dealing with school prayer and abortion have never even made it out of one house of Congress. Notwithstanding the relative merits or demerits of all these possible amendments, the process has stopped them all. No realistic appraisal of the ratification process indicates a "bad" amendment could make it through.

Ironically, those who would threaten us with the specter of an unlimited "runaway" convention lose sight of the fact that one already exists. The Congress of the United States has the very powers which are supposedly unrestrainable. They can pass whatever amendments they wish, but they don't.

In conclusion, I would like to recall the words of Thomas Jefferson, who noted: "I wish it were possible to obtain a single amendment to our Constitution. I would be

willing to depend on that alone for the reduction of the administration of our government to the genuine principles of the Constitution. I mean an additional article, taking from the Federal government the power of borrowing."

Our Constitution is celebrating its 200th birthday this year. I can think of no better way to celebrate its bicentennial than to take Thomas Jefferson's plea to heart.

I would like to add one final point. In observing the testimony, the issue seems to boil down to this: There is a chance, albeit it small, that a convention might run away. Compare this slim possibility to the real and present danger of fiscal irresponsibility. Nations have collapsed because no safeguards existed guarding against poor economic decisions. I understand the concern some of the opponents have; however, I believe their fears are much more likely to be realized if we fail to take action. Nazi Germany never would have come about if they did not have the economic collapse. You know, certainly there is a one in a 1000 chance, perhaps, that we would get bad things out of a constitutional convention. I don't even think it is that high. I think the chances are much higher that we will get terrible consequences if we do not put our fiscal house in order.

Once again, I thank you for giving me the opportunity to testify on behalf of CSE. I will be happy to answer any questions.

ASSEMBLYMAN ZIMMER: Thank you very much. I regret those on this Committee who would have learned the most from your testimony are not here, but I appreciate your contribution. Thank you.

MR. MITCHELL: Thank you.

ASSEMBLYMAN ZIMMER: Bill Cleary, State Director, New Jersey Chapter, National Federation of Independent Business.

~~W I L L I A M C L E A R Y~~: Thank you, Mr. Chairman. In the interest of time, the small business owners of New Jersey, as

well as nationally, see the ever-growing deficit at the Federal level as the number one concern of small business owners all across the country. They also see that your bill -- ACR-54 -- is not a first shot at addressing this problem. The Constitution is a great document. This is not an attempt to circumvent that document, but an opportunity to use Article V of this great document as a last resort.

We have seen many, many attempts by our legislative leaders at the Federal level to rectify the problem of an ever-growing deficit. The capital needs of our Federal government compete with the needs of small entrepreneurs, and even medium and large companies. We compete with that growing debt. Someone said something before about raising taxes. Many people will support an effort to raise taxes to support new programs with bona fide social goals. Many people, however, object strenuously to raising taxes in order to pay the debts of moneys already spent.

That is what we are looking to -- the future -- as our children come into their taxpaying years. The story a little while ago of the fisherman throwing dynamite overboard to catch fish reminded me of the similar way in which government taxes its business owners. Just throw the dynamite overboard and see what comes to the surface. Unfortunately, you kill many small businesses in that effort. That is what the deficit is doing to small firms today.

We wholeheartedly support the State Chamber's position, that of Senator Byrd and Representative Halbrook and, of course, Lance Lamberton and his group.

I submitted more detailed testimony to Don Margeson for your review later on, but in the interest of time, most of the statements made by my predecessors will certainly be endorsed by us.

Thank you.

ASSEMBLYMAN ZIMMER: Thank you for attending.

I would like to ask Vera Roche, from the Eagle Forum, to speak now. Vera? (no response) Bernice MacDonald, American Association of University Women?

B E R N I C E B. M A C D O N A L D: I am Bernice MacDonald, a member of the New Jersey Division Legislative Committee of the American Association of University Women, and I am speaking for the 5500 members of the New Jersey Division of AAUW. At this point, I wish to thank you for the privilege of speaking before this Committee to give our position in opposition to ACR-54. I would also like to compliment you for holding this second hearing, but wish it could have been held at a better time.

We are strongly opposed to ACR-54 which, in effect, calls for a constitutional convention. It is known that 32 of the 34 states required have been passed. It is also known that at least 16 states have done so without holding public hearings, debates, or taking a recorded vote.

We are not opposed to a balanced budget, but however desirable a balanced budget may seem, calling a constitutional convention restricted to the consideration of a balanced budget amendment, where there are really no guidelines or guarantees, is like playing Russian roulette with our Constitution.

Article V of the United States Constitution provides two methods of amending the Constitution. We are all aware of that, so I will not go into it. The first method -- which is the traditional method -- has worked. If, indeed, there was a public outcry for a balanced budget amendment, wouldn't Congress react and present such an amendment to the states? They have. But, in 1982, an amendment was presented to Congress. It passed in the Senate, but was defeated in the House. This year the reverse occurred.

Whatever the need for a balanced budget amendment, a constitutional convention poses very significant danger. There is a question as to the constitutionality of calling a

convention for a single issue. Even the term, "balanced budget," carries with it a multiplicity of interpretations. It might include balancing budgets by restricting appropriations for a wide variety of purposes, including education. Let us consider that the delegates chosen to the constitutional convention -- and, at this point, there are no guidelines on how to choose these delegates -- decide, once convened, that they are going to ignore both Congress and the court's efforts to limit its scope. Might not the constitutional convention do what the Federal convention held in Philadelphia in 1787 did to the Articles of Confederation?

Are you willing to risk 200 years of constitutional stability to risk a runaway convention -- a convention which might seek to impose its own agenda? In the case that this should occur, this country would be thrown into a great turmoil, but the ramifications would not stop there. The world, which has looked to the United States for stability, would be thrown into confusion and turmoil unequalled in the annals of history.

What is certain is that the consequences of calling a convention will be far-reaching. We do not know what financial and political consequences will result, and we do not know how the delegates are to be chosen, who the delegates will be, who will control the convention, or even what special interest groups will influence the convention.

We do know, though, that if there are 34 valid petitions presented to Congress for a constitutional convention, Congress is obliged to call a convention. There are no precedents for determining the validity of petitions, or if a state wishes to withdraw its petition, if it is valid.

Arthur J. Goldberg, former Justice of the Supreme Court, said: "The Constitution of the United States is a document of inspiration. It is our legend and our hope, the opinion of our minds and spirit; it is our defense and

protection; our teacher and our continuous example in the quest for equality, dignity, and opportunity for all people of this nation. It is an instrument of practical and viable government and a declaration of faith -- faith in the spirit of liberty and freedom."

Are you willing to put in jeopardy this document which embodies all that we are as Americans, to the chance that perhaps the constitutional convention will not occur and Congress will send out a balanced budget amendment to the states? Or perhaps the worst might happen, and the system of government we value might be thrown out and a new Constitution put into place as it was in 1787, which totally changed our system of government.

The New Jersey Division of the American Association of University Women strongly urges this Committee not to vote ACR-54 out of Committee -- which you have already said you would do. Your constituents will be glad that you served their best interests, and you will have served the people of New Jersey in a most positive way.

Thank you.

ASSEMBLYMAN ZIMMER: Thank you. Are there any questions? Joe? (no response) Jim Davidson, from the National Taxpayers Association, has returned. I will ask him to testify now, and will pose a question to him after his testimony, giving him an opportunity to answer Rabbi Gelfand's statement.

J A M E S D A L E D A V I D S O N: Thank you very much. Mr. Chairman and members of the Committee: I appreciate very much the opportunity to bring you my views, and those of many thousands of New Jersey residents who are supporters and members of the National Taxpayers Union, about what I believe is truly the most important issue facing this country, and I think, ~~by extension the most important issue that is going to~~ be decided in terms of the direction that the leading country in the free world is going to take.

You heard Representative Halbrook raise two very important questions. One was, "Can you name a country which is great because it is deeply in debt?" and the other was, "Can you name a country which is in great trouble because it is deeply in debt?" I think those questions should bear on your mind, because we can all think of countries which are in deep trouble, but very few of us can think of countries that have been successful because, indeed, none have. But I think beyond the question of the need for a balanced budget amendment -- which I would like to address in a moment -- there is a greater question, which has been raised here on the 200th anniversary of our Constitution, and practically coming down 200 years almost to the week that the constitutional convention began, when the founding fathers put forth a document which I believe has served this country quite well.

We have heard a number of people say that the constitutional convention which met in 1787 was a runaway convention. They don't say they regret that it did, but then they turn around and say they think we cannot allow the people of the United States to elect delegates to another constitutional convention. They pretend they are defenders of this Constitution, and yet if you read the Constitution, it is quite obvious that the founding fathers intended the states, and the people, through the state legislatures, to be able to propose amendments. They say, "Well, we can't be sure that a convention could be limited." The American Bar Association, the Dean of the Harvard Law School, and other reputable experts said it could be limited, but let's suppose they are right. Let's suppose we cannot ensure that a convention will be limited.

My question is: So what? So what? The Congress of the United States, which is an unlimited constitutional convention which sits day and night-- It cannot be limited in its deliberations. There is no way in the world we can stop

members of Congress or members of the United States Senate from proposing constitutional amendments that might, for example, impinge upon the Bill of Rights. Indeed, in the 99th Congress, more than 115 amendments were proposed on every subject under the sun. This didn't bother anybody, and it shouldn't bother anybody. Nobody today would say, or believe, or provide any credence at all, to someone who stood up and said, "I believe I am protecting this Constitution, and the way I am going to protect it is, I am going to dissolve the Congress of the United States, and I am going to urge that no further elections for Congress be permitted for either the House of Representatives or the United States Senate. The reason I am doing this is because there is no way to limit the deliberations of the House and Senate when it comes to proposing amendments that might infringe on the Bill of Rights."

What would we think of somebody who made such an argument? We would rightly say he was attacking the Constitution, not that he was defending it; that he did not believe in the basic principle which makes this great country what it is and, indeed, which every member of this Committee embodies by his being an elected official. That principle is, the people should have a decision about the direction of government. What those who say you cannot trust the people to elect a constitutional convention are saying is, a special election, in America, is a greater risk to our future than national bankruptcy.

I put it to you as thinking people that that cannot be right. If this were Russia, or South Africa, or some other country which does not allow freedom for the people to speak, then somebody might say, yes, the established order would be threatened if we had an election. But, a special election to bring men and women to a constitutional convention to consider a balanced budget amendment, is not going to jeopardize this country's future. What is jeopardizing it now, and what will

bring, in my view, a depression that will shake the world if we don't do something to head it off, is the continued pileup, willy-nilly, of debt, which has squandered, in one generation, the inheritance of centuries, which has made us no longer the world's richest creditor nation, but the biggest debtor, greater by far than the debts of Brazil, the debts of Argentina, the debts of Mexico, the debts of all of Africa combined, in only a few short years.

This, it seems to me, is the danger. When we ask what the Constitution stands for, and who these people were -- these great people who started this country -- we ought to also remember that a lot of voices at that time said, "No, no, you can't trust the people. You can't trust the people. I dread the idea that the people are going to have their say." In fact, a long time ago, at the time of our Revolution, a newspaper called The Evening Post wrote a little story. It was a satire, but they were suggesting the things -- what they called, what patriots fear, the reasons why people did not want to join in, in supporting self-government, which is what we are talking about. These were the reasons: "I fear I shall lose my office. I shall lose the rent of my house for two years or three. The common people will have too much power in their hands. I fear New Englanders will turn into Goths or Vandals and overrun this country." These are the things in quotes.

A man named Edward Rutledge, who was a delegate to Congress from South Carolina, said, "I dread their overruling influence in councils. I dread their low cunning, those leveling principles which men without character and fortune in general possess, which are so captivating to the lower class of mankind." So, there have always been voices -- weak-minded people, and people of small spirit, who have said, "You cannot trust the American people." If we had listened to them in the very beginning-- If the great people, including Thomas Jefferson, whose 244th birthday is today, had listened to these

naysayers, we never would have embarked on the constitutional experiment as we did.

These founding fathers gave us two methods for amending the Constitution with good reason -- because they understood that there can be a time when the self-interest of people stands in the way of their concern for the public good. They did not want the Congress itself to be the only judge of what should be done in terms of reforming the Congress. It is not a mystery, and it is not a coincidence that of the 26 amendments that have been passed to this Constitution, only one impinges upon the career interests of Congressmen, and that was the amendment for the direct election of Senators. It was that amendment which was passed only under the bludgeon of the constitutional convention threat, when the states, in 1912, came within one state of convening a convention. It was then that the members of Congress -- the United States Senate in particular -- said, "Okay, folks, we have lost this battle. We are going to have direct election of Senators whether we like it as Senators or not. We better get busy and propose an amendment, and propose it in such a way that members of Congress, or Senators who are now sitting in office will not be obliged to seek election immediately, but will be able to fill out their terms of office," which is what they did. Only one of the 26 amendments passed to this Constitution impinges upon the career interests of those members of Congress who had to vote for it, and that was the one where the insistence of the states played the largest role.

Now, a lot of people have said that the convention procedure under Article V is somehow untrustworthy, or it isn't legitimate, or they want to make it illegitimate. They are trying to turn it into a dead letter. My point would be, you cannot name one part of the Constitution which has as many checks and balances on it as the convention procedure under Article V, because not only must hearings be held, and both

houses of 34 states pass convention calls, but then, as President Lincoln analyzed at great length, you have to have people elected to the constitutional convention. They will run on this issue. They will be asked what proposals to alter the Constitution they might favor. They will be asked if they wish to keep it to a single subject, as I believe almost everyone elected would. Then, through all this process, it comes back to the Congress of the United States, which alone can determine the mode of ratification.

After that, 38 states have to ratify it. Thirty-eight states would not ratify anything as innocuous as the ERA. How in the world can we anticipate, as logical people, that 38 states are going to dissolve the country? The very fact that all of these groups have been raised in opposition, spreading these fears of a convention, is itself proof that the fears are groundless, because there would be nobody, practically in the whole political landscape, left to do all of the horrible things and unmentionable things that they suggest would happen.

I would love to know from some of these people, other than vague threats that we are going to repeal the Bill of Rights -- which no one could possibly support -- what it is they are actually afraid is going to happen? The real danger, it seems to me, with Article V and the convention procedure providing states the method of proposing amendments, is exactly one which was addressed in the very beginning of this country, when, in 1787, The New York Journal wrote a story which said the problem was not that the conventions would happen all the time, that the conventions would run amuck, that they would change the Constitution, but rather that it would be very, very difficult, if not impossible, for a convention ever to be held. This editorial said: "The legislatures of two-thirds of the states must agree in desiring a convention to be called. This will probably never happen, but if it should happen, then the convention may agree to the amendments or not, as they

think right. And, after all, three-fourths of the states must ratify the amendments. Before all this labyrinth can be traced to a conclusion, ages will evolve. People once possessed of power are always loath to part with it. The greater the occasion there may be for a reformation, the less likelihood there will be of accomplishing it."

I believe they hit it right on the beam when they said that. We have seen plenty of evidence that it is very, very difficult to get the Congress to reform itself. I don't say that to impugn the motives of members of Congress, but rather to face reality. As the years passed, the deficit has gotten bigger and bigger, and there is no hint at all that it will ever be brought under control. We are at the top of the business cycle. We have been five years on an up time. It is the second longest upturn in our economy since the Second World War, and we are still running a deficit of \$200 billion.

There is absolutely no evidence that the Congress will bring this problem under control. There is only one way it can be done, and it can only be done by people like you taking the leadership role, the same kind of leadership role that was taken by the great founders of this country when they made the decision to trust the people. I think it is strange, and it is somewhat sad, in our 200th anniversary of a Constitution that has worked so well, that I have to sit here, and others have had to sit here, and defend the Constitution, and defend the principle that the people are competent to give direction to this government. This, after all, as I was taught with pride when I was a child, is the government of the people, for the people, and by the people. I don't believe we should expect, or think, that the American people today are going to turn into Goths and Vandals any more than they did in the very beginning, when this Constitution was put into place and set in motion by those wise people whose genius was to see that they could trust the people.

A lot of other things have been said here, and I would like to address some of the particular comments that seem to me to be in need of answering.

Somebody asked the question, or suggested that resolutions had to be identical in wording. Again, this seems to me to prove too much. If you read the ratification messages by which the Constitution was brought into being and, indeed, the amendments that were ratified by state legislatures over the centuries, you find that the Constitution itself could not be held to the same tests which those objecting to the balanced budget calls would apply. For example, when the income tax amendment was ratified, many states put in a provision saying, "We ratify this on the proviso that the income tax not be higher than 7%," and other things which have certainly long since gone by the board. The common sense rule ought to be the one we follow. If you read the 32 state calls, these are the ones that are calls for a convention on the balanced budget issue. Other states have passed other resolutions that came close, but we never count them. Our opponents don't count them.

The question has been asked, "How can you prove that a convention can be limited?" I think the answer -- as I have indicated -- is, what difference does it make? You cannot prove that the Congress of the United States should be limited in its deliberations on the Constitution, because we know that it can't be, and yet that doesn't cause anybody in this country to lose a minute's sleep, because the basic good sense of the American people is the only guarantee that we really need that the Constitution is going to be preserved in its essentials. I know of no group, no person, no organized effort to fundamentally change the Constitution, except for the talking group that Mr. Cutler has put together, and these people are opposed to a constitutional convention themselves. They are expecting the Congress to put their Constitution into effect after the system collapses. Those people who are interested in

seeing a new Constitution will do their best work by stopping efforts to reform the system, rather than letting it go down the drain.

Somebody else questioned the whole idea of whether the Constitution should include limits on budget deficits. Well, I would point out that every locality in this country, with a few exceptions, and practically every state, has a limit on deficit spending. Most of these limits did not exist in the beginning. In the 1830s and '40s, about half of the states in the United States at that time, or a third of them, went broke. It was at that time that we started putting these limits on states, because it was necessary to prevent bankruptcy. The Swiss Constitution has such a limit in it; the German Constitution has such a limit. If you go right back to the Magna Charta, the greatest points of the Magna Charta were limits on the spending power of the King. So, the entire history of constitutions right back to the Magna Charta justifies putting in a limit on Federal deficits.

Another group of people has argued that we can't trust the public-- We can't trust the American Constitution as it now stands, because under the Articles of Confederation a convention met and produced the great Constitution that we all support today. Well, again, at the time of the Articles of Confederation, the American states were less bound together than the European Economic Community is today. We actually had internal terrorists. The laws that were passed were laws that more or less took effect with the agreement of the states, or, if they didn't agree, that was that. There is no more analogy between what went on under the Articles of Confederation than what happened to the last Bourgoigne King of France as compared to what might happen under today's French Constitution.

Someone quoted James Madison as saying that he trembled at the thought of a second convention, and he did. But he was speaking then at a time before the government had

actually taken effect, before the Congress had met, before the President had been elected, before the new government of the United States had taken hold, because there was a plan to write the Bill of Rights in a second convention, before the Constitution was allowed to take effect. Obviously, today we no longer have the worry that a convention could take charge of the whole Constitution, for the very good and simple reason that the convention has no power. Nobody has ever said that a convention has the power to write laws, to raise taxes -- it couldn't even pay its bills. It has no power. It cannot declare war. It can do only one thing: propose. As Representative Halbrook pointed out, that doesn't change the Constitution; it only leaves it to the states to accept or reject the proposal.

Those who have said that we cannot trust the American people are afraid of ideas. They are afraid that somebody is going to come up with an idea that some dumb American citizens -- in a majority -- are all going to jump up and support, and then they would presume equally stupid state legislators are going to announce their support for it. Three-quarters of them are going to ratify it. Mathematically, if even 4% of the American people are opposed to an amendment -- if they are the right 4% -- it is possible to prevent ratification, because 4% of this population in the United States today elects the majority in the 13 smallest legislatures in at least one house.

Now, somebody else has said that there is a big flaw in the theory that we should not be running down our nation's inheritance, that we should not be going deeply into debt around the world, because inflation had come down, while the deficits continue to run. I want to say that the idea that we need to balance the budget is not a theory; that inflation is the only bad thing that can come from deficits, because in the history of the world, lots of times big debts have been run up and they have been repudiated by deflation, as well as by

inflation. I am afraid that one or the other of these two devils is going to overtake this country.

Also, no one argues that there should never be a deficit. I think Lord Keynes made a strong case that there should be deficits at some times, and others have agreed with that case. But, Keynes himself would not have said that there should be a deficit at all times, and that every year, good year or bad, lean year or boom, we should be borrowing against the future, because some day or other, these debts have to be paid. The American people are going to pay them. The average high school student in New Jersey is going to have to pay an additional \$7000 to \$10,000 in taxes in his or her lifetime, just to pay the interest on the current year's deficit.

There are many other fallacies and arguments which I think people may not seriously believe which have been raised here as confusions about the basic issue. Someone said, "No one can tell who the delegates to a convention will be." Well, no one today can tell who the teams in the World Series will be in the fall, but that doesn't stop the World Series from coming off reasonably well.

So, the point I make, I think, as we look at this basic issue, is that we have to decide, as an American people, whether we believe in America, whether we believe in the great principles this country was founded on, or whether we don't, and whether we think it is worth moving forward to try to resolve and reform those problems which are clearly defects in our system today. I believe there is no possibility for the United States to avoid a precipitous fall of living standards that would imperil the middle class and also, not incidentally, put our freedoms in jeopardy, if we continue to follow the same policies that have put Brazil and Argentina and Mexico and so many other countries into bankruptcy. We cannot have Latin American fiscal policy without ultimately having Latin American

results. That doesn't mean the country would disappear. It doesn't mean it would blow up, or that it would go away. But it does mean that a lot of good people would have their hopes for a better life destroyed, and a lot of the freedoms we take for granted would be put in jeopardy in the emotional aftermath of such a problem.

In Japan today, there are 150 Jews, and there are two best-selling books at the top of the best-seller list in Japan that have sold 600,000 copies. These books blame the entire problems of Japan -- because they have had a fall in their economic progress; they have their worst year of the last 12-- These two books blame all of the problems of Japan on Jews. I think we are going to see a similar kind of irrationality, like the irrationality that surrounds the question of the convention, if we continue to see a fall of middle-class living standards in this country.

So, I think the people who are really concerned about preserving our Constitution: a) believe in it as it is written; and b) will do the things necessary to keep the middle class whole to prevent an impoverishment of the great solid majority of people who pay the bills, and upon whose economic prosperity the foundations of this country rest.

So, anyway, that is my view. I very much hope you will show the leadership that is necessary to add New Jersey to this list of states that have called for action. I am convinced that if New Jersey does act, this will be what is required to get the Congress off dead center to pass a balanced budget reform.

ASSEMBLYMAN ZIMMER: Thank you. While you were out of the room, Rabbi Gelfand read a prepared statement, which said, in part, that many of those who are arguing that a constitutional convention can be limited, have themselves proposed other subjects which should be considered by a convention ostensibly called to consider a balanced budget

amendment. He mentioned you by name, and quoted from the Los Angeles Times an interview with you, where the inference was that, although you say you can have a limited constitutional convention, you, yourself, as a declared candidate for delegate, would support a broader agenda at that convention. Is that correct?

MR. DAVIDSON: Well, let me put this in perspective. I think, again, that -- as I said -- the entire fascination on the question of whether the convention can be limited or not limited, misses the basic point that it is always limited by the good sense of the American public, and by the good sense of the state legislators, who are the only real check on the Congress. I mean, the Congress is already, as it sits every day and every night, an unlimited convention. Now, if another group of people came together elected by the American people, I don't think it would make one dime's worth of difference whether they said they were limited or said they weren't limited, because ultimately what comes out of that convention is going to be what the American people want. If three-quarters of the state legislatures ratify it, I think that is democracy in action.

What I said to The Los Angeles Times was something very different from what the good rabbi was quoting me as meaning. I don't wish to be understood as saying what he said I said. In fact, when I talked to The Los Angeles Times reporter, he said, "How can you keep the delegates from talking about other issues?" My question is, why should we want to keep the delegates from talking about other issues? I think that a group that meets like that might very well talk about anything, but I think the amendment they would propose -- and I would be opposed to anything other than this -- would be one that was addressed toward the issue of balancing the Federal budget.

I pointed out in that interview that there is no firm way of describing what should be in a balanced budget amendment. It was mentioned earlier that a line item veto might be part of a balanced budget amendment. That is perfectly legitimate. When the Congress of the United States considered the balanced budget proposals, which they have done several times, some of those proposals, including one authored by Senator Dixon of Illinois, said we should -- said the line item veto should be part of it. If it is legitimate for the Congress to consider a line item veto, why isn't it legitimate for a convention?

I also pointed out that there are other ways of assuring that the budget could be balanced. I particularly said that one way of handling it would be to call for referendums among the public for times when a deficit should be necessary. With the electronic media we have today, it is very easy to have a referendum. I pointed that out not because I think that is likely to happen, but because it is a way of putting pressure under the Congress, because members of Congress have these concerns. Not only do they want an amendment in place that they can live with -- so they much rather write it themselves, I believe -- but they also do not want to have a situation where individuals are elected in their own congressional districts who might then later be candidates against them when they stand for reelection.

So, I stand by what I said. I don't appreciate my words being carried out of context, but I think I understand why the people who are opposed to balancing the budget do that, because they haven't a very strong case when it comes to arguing against balancing the budget, and they would rather deflect attention to red herrings and to other issues which, if they, in turn, are analyzed carefully, prove to be much less of a problem than anyone would think.

As I pointed out a few minutes ago, nobody would jump up and applaud if some self-styled protector of the Constitution came forward and said, "We can no longer afford to have elections, to have the Congress of the United States meet, because no one can prove, in advance, that some delegate with unlimited amendment proposal powers, might not decide to, in some way, alter some feature of the Constitution that the speaker likes." I think the good sense of the American people has always been that the American people themselves provide the direction to government, and I think this paranoia that has been stirred up by people like Phyllis Schlafly and others, is really a shame. I might also point out that the same sense of unreality that governs many of Phyllis Schlafly's other public statements, seems to be at work in her concern about a runaway convention. She is a woman who testified before the United States Senate not long ago, that no woman would be raped who is a decent woman. She has also said in public that she believes that more than a majority of brides in the United States are virgins on their wedding night, which strikes me as reflecting the same sort of unreality that her fears about a convention suggest.

ASSEMBLYMAN ZIMMER: Just to clarify the point that I wanted to focus on: James Davidson, delegate for a constitutional convention -- should one occur -- would he run on a platform in opposition to a recommendation by that convention of any amendment that does not relate to a balanced budget?

MR. DAVIDSON: Absolutely.

ASSEMBLYMAN ZIMMER: Okay.

MR. DAVIDSON: I think that almost everyone who would be elected to such a body would run on that same basis. You hear very few people before you -- there have been some here today, but very few -- who make an emotional argument against balancing the budget, because I think that most of us, in our

hearts, know that reality comes back to play, and that you cannot go on year after year spending hundreds of billions out of an empty pocket. The great majority of all polls show that huge super majorities of Americans support balancing the budget. The great majority of labor families, minority groups, Republicans and Democrats, in almost the same proportion, all support a balanced budget amendment. So, the only technique that is left to those who are opposed to taking some decisive action, is to focus on the phony fear of an unlimited convention, when the same people have no problem at all with an unlimited Congress, which is an unlimited constitutional convention sitting year after year.

ASSEMBLYMAN ZIMMER: So, in our search for those who want to use the convention for some other agenda, you are counting yourself out?

MR. DAVIDSON: Well, if I were a candidate for a convention -- if I were ever so privileged as to be part of one -- I would be the firmest advocate of any that no amendment should be set forth except one on the topic of how to balance the Federal budget and reform this process which is so far out of hand.

ASSEMBLYMAN ZIMMER: Thank you. Joe, do you have any questions?

ASSEMBLYMAN BOCCHINI: Some of the statements attributable in the February 18, 1984 Los Angeles Times are inaccurate?

MR. DAVIDSON: The statements in that article are taken out of context. They are designed to suggest something which is not true. Again, I quote exactly what was said. I said, "The convention could be a mechanism -- could introduce other mechanisms for balancing budgets and for exceptions to balanced budgets," which I think, obviously, is true. But I was referring to what was then known as SJ Resolution 13, which was a proposal for a constitutional amendment that was in the

United States Senate, at the time this article was written. I said there were other ways of ensuring a balanced budget.

Some of the critics of the balanced budget proposals that have passed and have been considered in the Congress -- in the Senate -- said, "Well, the problem with these things is that they don't provide enough of a mechanism for exceptions, or they don't provide an enforcement mechanism which is automatic." These were questions raised by opponents of the balanced budget amendment. I said some other mechanisms could be included. They include: A provision for vetoes of parts of bills, which is a line item veto -- which you referred to before; a national referendum on whether a specific budget should include a deficit, which is to say if you want to have a budget deficit just put it to the public. That is another possibility. I also said that I favor a return to the gold standard, but that, again, is a completely separate proposition. I favor a lot of things that are not going to be part of the Constitution of the United States. I don't think that my personal views on these things bear one iota. I mean, it is just like the question of whether I favor raising housing subsidies. I have an opinion, but it doesn't have any bearing on the way the world is going to turn out.

Thank you.

ASSEMBLYMAN ZIMMER: Thank you very much. Linda Bowker from NOW?

H A Z E L S T A A T S W E S T O V E R (from audience): She had to leave, but I will present her statement.

ASSEMBLYMAN ZIMMER: Okay. We have the statement up here. Do you want to read it?

MS. WESTOVER: Yes. I am representing Linda Bowker, who is State President of the National Organization for Women. On behalf of the 7000 NOW members in New Jersey, we are testifying in opposition to ACR-54. Our concern is not with a constitutional amendment requiring a balanced budget, but with

the dangers of forcing Congress to call a constitutional convention as the means of doing so.

NOW is very familiar with the traditional, proven amending method described in Article V of the United States Constitution because of our work for the Equal Rights Amendment. We accept that this method was meant to be difficult, so that a new amendment to the United States Constitution will represent the will of a majority of the Congress and of the people of the states. Despite our difficulty in ratifying the Equal Rights Amendment, we are not willing to risk threatening existing fundamental liberties by using the amending process of an unproven and volatile constitutional convention. We are distressed that others are willing to take that risk. We are alarmed that 32 states of the required 34 have passed legislation similar to ACR-54.

As you know, constitutional experts do not agree on any of the questions raised about this alternative amending process. Assertions are made, assurances given, but we have no precedents. Would delegates to a constitutional convention be a law unto themselves, able to set their own agenda? How, by whom, and on what basis would delegates be selected or elected? What would be the role of Congress? Would there be any judicial review, any restraint on the power of the convention to change our basic law?

Why do advocates of a balanced Federal budget feel the need to by-pass an amending process which has served that nation well for almost 200 years on many important issues? Budgetary reform is not a minority position seeking a vehicle to make law against the will of the people.

NOW believes that there is a minority in this country today with goals not supported by a majority of Americans. Most nationwide polls substantiate this. These goals could be more opportunely enacted into law under the uncertain circumstances surrounding an open constitutional convention,

because the chances of such a minority dominating that convention are greater than its ability to dominate established legislatures, the Congress, or the courts. Petitions for single issue constitutional conventions, such as the one at hand, could be vehicles to bring into being such an unlimited convention.

At this time, this Committee is the only place where all testimony can be heard -- and they are almost absent -- and these serious considerations weighed. We recognize that you have a heavy responsibility. We urge you to defeat this bill in this Committee. Let us reaffirm our faith in the amending process which has served us well for so long.

Thank you for the opportunity to address this issue.

ASSEMBLYMAN ZIMMER: Thank you. I apologize for not listening to your oral statement, but I did read the prepared statement. I would like to know to whom you refer when you talk about the minority in the country with goals that would be promoted by the constitutional convention.

MS. WESTOVER: The minority who are not heard by the majority of the--

ASSEMBLYMAN ZIMMER: No, you said, "NOW believes that there is a minority in this country today with goals not supported by a majority of Americans." And then you say these goals could be promoted through the mechanism of a constitutional convention. Who are you talking about?

MS. WESTOVER: Well, we are talking about the difficulty we had with the ERA, for instance, to get an amendment in the past.

ASSEMBLYMAN ZIMMER: But, who is going-- This is a minority, you say, who will actually enact an amendment. Is that my understanding?

MS. WESTOVER: No, I don't--

ASSEMBLYMAN ZIMMER: You say, "These goals--"

MS. WESTOVER: "Could be more opportunely enacted into law under the uncertain circumstances surrounding an open constitutional convention--" Well, we are talking about coming in under an umbrella with other issues, and that the minorities really don't always get the principles or the issues through.

ASSEMBLYMAN ZIMMER: Okay. Thank you.

I understand Vera Roche from the Eagle Forum has returned and would like to speak.

V E R A R O C H E: I am Vera Roche from the Eagle Forum. Phyllis Schlafly is our National Chairman. Mr. Davidson made reference before of Mrs. Schlafly's name.

Many of the reasons we object to the constitutional convention are the same ones which Governor-- Who was it, Governor Hughes?

ASSEMBLYMAN ZIMMER: Hughes, yes.

MS. ROCHE: (continuing) --the ones which Governor Hughes mentioned before, so I won't go into those. But, I do have a copy of the Constitution here, and under Article V, it states, in two places, "The purpose of a constitutional convention--" The agenda would have to include amendments. It is plural, so we feel it would be unconstitutional to limit the agenda of a convention to one amendment.

Now, Mr. Davidson mentioned the fact that even if there were amendments, it would take 34 states to ratify them. It is obvious that Mr. Davidson has not been involved in either the pros or the cons of the Equal Rights Amendment for 10 years, because there is no way that any legislator, or any citizen, would ever want to have to go through a 10-year battle, in order to fight off threats to our wonderful Constitution. It just doesn't make sense. It is like playing Russian roulette with the Constitution.

The only precedent for a convention is the Constitutional Convention of 1787, which was a runaway convention. In the legal world, precedent is usually

persuasive and conclusive. The political pressures for a wide-open convention on many subjects would be compelling. For example, 20 states have passed a call for a convention for a Human Life Amendment. Public and media demands that a convention consider a multi-issue agenda would converge from all sides. Many convention advocates privately admit that, of course, they intend to consider other constitutional changes. Furthermore, every issue is germane to a fiscal amendment; for example, abortion funding. Bargaining by blocks of delegates would open wide the agenda.

There is not a shred of evidence that a convention would produce a balanced budget amendment. It is far more likely that a convention would produce years of constitutional chaos, conflict, and court appeals.

The American Bar Association Report was prepared by a handful of ABA lawyers, and was carefully worded so as to leave it open to varying interpretation. The ABA resolution said: "Congress has the power to establish procedures limiting a convention to the subject matter which is stated in the applications received from the state legislatures." But, the ABA did not say, "Congress has the right to limit a convention." There is a world of difference between those two statements. The ABA resolution very carefully refused to assure us that a con-con can be effectively limited.

Con-con delegates would be less responsible than Congressmen. Most Congressmen devotedly want to be reelected, whereas convention delegates would be as free from responsibility to the voters as life-tenured Federal judges. The fact that Federal judges never have to face the voters again, is the prime reason why they have been able to get by with so many decisions which are offensive to the majority of Americans and, indeed, are widely believed to be unconstitutional. If Congress passed rules regarding the procedure for a convention, these laws would not be effective until reviewed by the Supreme Court.

The national tax groups that have been doing fund raising on the premise that they want a balanced budget, have raised a great deal of money. In all of their material, they talk only of a "balanced budget convention." None of their subscribers have any idea that it is a constitutional convention they are talking about. This deceit alone is enough to make you question their motives. Do they want a balanced budget, or do they want a constitutional convention?

Warren Burger, former Chief Justice of the United States Supreme Court, has said that he cannot see how a constitutional convention can be limited to a single amendment. James Madison advised the American public in "The Madison Papers," that if they wanted to get rid of the Constitution, to call a convention.

If these national tax groups truly want a balanced budget, we recommend that they use the millions they have raised, and spend them in the congressional districts of those Congressmen who will not support a balanced budget. Certainly that would make more sense and would be easier, than to throw our country into constitutional upheaval, with uncertain results, when a modest investment in political strategy and resources could achieve a balanced budget amendment.

The strategy, although laudable, behind ACR-54 must just backfire. We have never seen so many legislators support something that they really do not want. The big spenders from Washington might just decide to welcome a convention. It would certainly take the focus off the real issue, give them time to wiggle off the political hook, and allow spending to go on for years to come. Our United States Constitution is the most wonderful document written by man for the use of mankind. Let's not take any chances of letting the socialists, internationalists, or foreign interests destroy our wonderful heritage left to us by our founding fathers.

Thank you.

ASSEMBLYMAN ZIMMER: Thank you. You have based your view that the convention could not be limited on the fact that the word "amendments," rather than the word "amendment," is used in Article V of the Constitution. Isn't the word "amendments" used also to describe the power of Congress to recommend amendments, and hasn't Congress every time amendments have been proposed done them one by one?

MS. ROCHE: Yes, but it would have to go to the United States Supreme Court, and they would have to decide whether the rules that Congress would write for a--

ASSEMBLYMAN ZIMMER: That is not my point. My point is-- Do you have a copy of Article V there?

MS. ROCHE: Yeah.

ASSEMBLYMAN ZIMMER: If you will take a look at the use of the word, the word "amendments" applies -- is used to apply to the impact of a constitutional convention -- what a constitutional convention would, or could recommend -- amendments. It also says, "Both houses of Congress may recommend amendments" -- two-thirds of both houses of Congress. As you know, every amendment, but the original 10, were recommended one by one.

So, in fact, Congress has acted in a limited way, recommending single amendments. Could not a constitutional convention, similarly, enact, or be limited to consider a single amendment? You are using a term that is used in two different applications in the Constitution.

MS. ROCHE: Yeah. Although I don't think it could be. We don't feel it could be, because it specifically states, "Congress, whenever two-thirds of both houses shall deem it necessary, shall propose amendments to this Constitution."

ASSEMBLYMAN ZIMMER: Amendments, right. And they could have said "an amendment." But, they said, "amendments."

MS. ROCHE: "Or, on the application of the legislatures of two-thirds of the several states, shall call a convention for proposing amendments."

ASSEMBLYMAN ZIMMER: Amendments, again.

MS. ROCHE: Yes, again. Well, that is what we are saying. We feel it would be illegal and unconstitutional, because of this statement, to propose anything other than amendments.

ASSEMBLYMAN ZIMMER: Well, I guess I can't convince you of my point. I hope I made it clear.

MS. ROCHE: No, I guess maybe I don't quite understand.

ASSEMBLYMAN ZIMMER: My point is, the Congress itself, although it is controlled by exactly the same word, has been limiting its consideration, and states have been limiting their ratification to single amendments -- single amendments -- not groups of amendments.

MS. ROCHE: Do you mean regarding this convention?

ASSEMBLYMAN ZIMMER: No, I mean the amendments subsequent to the Bill of Rights.

MS. ROCHE: Oh, I see; yeah.

ASSEMBLYMAN ZIMMER: You mentioned -- again, as did previous witnesses -- the advocates of a constitutional convention who want to do things other than balance the budget. In your final sentence, you refer to them as "socialists, internationalists, and foreign" -- something or other.

MS. ROCHE: Foreign interests.

ASSEMBLYMAN ZIMMER: Foreign interests. Who are they, specifically?

MS. ROCHE: Well, I think for one thing, the Jefferson Foundation is one group that would like to do this.

ASSEMBLYMAN ZIMMER: Who is that?

MS. ROCHE: They believe in a one world government. There are also other-- Oh, I have all of the material on it, but I didn't bring it because I didn't think I would have time to go into a lot of detail about the different organizations that have been having meetings, and are having them now, in

order to discuss the other amendments they would like to have. For example, they would like to have a parliamentary form of government, instead of having the kind of government we now have. There are other groups, as well. Russia, for example, has stated recently in the paper, that they changed their Constitution within the last five years. They feel it is time for the United States to change our Constitution.

ASSEMBLYMAN ZIMMER: So, the Soviet Union is one of the proponents of a balanced budget constitutional convention, that you refer to?

MS. ROCHE: No, I don't think they are concerned at all about a balanced budget, but I think they would use this opportunity to try to get the delegates who support their type of government, in order to be delegates to the constitutional convention.

ASSEMBLYMAN ZIMMER: Has the Soviet Union been very successful in electoral activities in the United States?

MS. ROCHE: Well, I think we are opening our Constitution up to an invasion by the Soviets, yes, I do, and by any other foreign interests.

ASSEMBLYMAN ZIMMER: You feel that they could elect delegates -- that the Soviet Union could have its delegates elected to a constitutional convention?

MS. ROCHE: Well, look what they did-- They have had spies in our country all of the time. We have had our embassies invaded by the Soviets.

ASSEMBLYMAN ZIMMER: But, that is not the election process. Do you believe the Soviet Union is having people elected to Congress, or to other elected--

MS. ROCHE: No, no, not to Congress at all, but I think they could get delegates. I don't feel that is the primary threat, but I do think that if we have not had a constitutional convention in 200 years, I think everybody will be trying to get their special interest groups to be delegates to the convention.

ASSEMBLYMAN ZIMMER: Well, if the Soviets are not the threat, who is?

MS. ROCHE: Well, I think they are one of the threats, but I think there are a lot of other threats to our Constitution. As I said, I didn't bring all of the material, but there are many groups that would like to be able to attend. I think it is reasonable to say that if we haven't had a convention in all these years, that certainly there would be all kinds of outside interests that would like to see a change in our Constitution. I mean, don't forget, the original delegates to the Constitution were George Washington, Benjamin Franklin, James Madison. We don't have men of that caliber around today. It would be an entirely different type of group that would be going there.

ASSEMBLYMAN ZIMMER: What is the Jefferson Foundation? You mentioned that as the one organization which wanted to have the convention.

MS. ROCHE: Well, what they favor is a one-world government. Now, I could give you the material on it, if you would like, and tell you who the delegates to the Jefferson Foundation are, and what they are doing.

ASSEMBLYMAN ZIMMER: Yes, I would like to have that.

MS. ROCHE: All right. I have other material, as well, on people who would like to, you know, serve as delegates to push for their own form of government. I think it is both on the liberal and on the conservative sides.

ASSEMBLYMAN ZIMMER: Thank you very much.

MS. ROCHE: Thank you.

ASSEMBLYMAN ZIMMER: Gayle Sorkow?

UNIDENTIFIED SPEAKER FROM AUDIENCE: She had to leave.

ASSEMBLYMAN ZIMMER: Okay.

UNIDENTIFIED SPEAKER FROM AUDIENCE: She asked that I submit her testimony.

ASSEMBLYMAN ZIMMER: Sure. Thank you. Frank Askin?

P R O F E S S O R F R A N K A S K I N: Thank you, Mr. Chairman. I appreciate your patience today through this hearing. I certainly don't plan to test it too much further.

I am Frank Askin, member of the faculty at Rutgers Law School in Newark. I have submitted two different statements for the record. One of them is a statement signed by 23 members of law school faculties in this State -- from the three law schools -- in opposition to ACR-54. The other is a copy of my own article, which appeared in February in The Morris County Daily Record.

I won't repeat what is in those statements, but I would like to make a couple of comments on some of the things I have heard while sitting here today.

Now, I note, with a few exceptions -- I think maybe Mr. Davidson and Mr. Dibofsky -- that most of the witnesses seem to be like a couple of ships, or maybe flotillas, passing in the night. The proponents of ACR-54 are arguing for a balanced budget amendment, and it is clear that the major opposition to a constitutional convention is really unrelated to the budget issue, and arises from concern that a runaway convention might do irreparable damage to the constitutional system under which this country has flourished for 200 years.

Now, while it is true there are constitutional scholars on both sides of the issue of the possibility of a runaway convention, I mean, everyone would have to agree that, at this time, there is no definitive answer to the question of whether such a convention can be limited to a single issue, and Catch-23 (sic) is that there is probably no way to determine the answer until it is too late; that is, until after a possible runaway convention has ignored its mandate. It seems that only at that point would the Supreme Court even have any possibility of intervening, or being able to decide whether any unauthorized actions adopted by the convention, and possibly approved by the states, and acknowledged by Congress, had, indeed, become the supreme law of the land.

The issue came up this morning, is there some way to get an advisory opinion, a declaratory judgment? As a teacher of Federal procedure and Federal courts, I just don't believe that is possible. There is probably no way in which that could happen. It would be an advisory opinion, and would be considered speculative, and I just don't think it could come about.

One thing that sort of interested me was-- I think it was Mr. Lamberton, this morning, who put forth what I guess you could only call "the hostage theory" of the constitutional convention; that is, it is really not going to be a convention where you are going to hold the Constitution hostage for Congress to pass its own balanced budget; and then, that is, we will get the 34 states, Congress will have to act, and then we will release this threat of calling a constitutional convention. Now, it seems to me that there is nothing in Article V to suggest that that is a possibility. I mean, Article V says, "Once 34 states have petitioned for a constitutional convention, Congress has an obligation to call a constitutional convention." It does not have an escape hatch. It says, "Congress can obviate its responsibility by saying, 'Well, we will propose a constitutional amendment.'" Indeed, it would seem to me that if that were the case -- if Congress could obviate its responsibility that way -- then I suppose they could propose a constitutional amendment, for example, that said, "There shall be a balanced Federal budget, unless a majority of Congress votes otherwise in any given year."

Now, that might rhetorically seem to satisfy the proposal that there be a constitutional amendment for a balanced Federal budget, but I think probably it would not meet the spirit of what most of the balanced budget people are advocating. So, I just don't see how we could-- In other words, once 34 states have asked for a constitutional convention to consider some particular -- all or part of the

Constitution -- it seems to me that Congress could not really obviate its responsibility by passing something that looked like what they might be calling for, but which really had no -- didn't really satisfy the demand. Otherwise, it would be too easy to avoid its responsibility.

I think this whole flawed process is emphasized further by the fact that, at this moment, there are absolutely no rules as to how a constitutional convention would operate, or how the delegates would be chosen. There may be proposals in Congress. Nothing has ever been enacted into law. In fact, this whole process reminds me of-- There is a book I was always very fond of in my younger days, by Mark Harris, called "The Southpaw." It is about a baseball team. When they were on the road, a couple of the team players sort of were hustlers, and they used to hustle other players and fans into a card game called "tegwar." Tegwar represented the exciting game without any rules. They would make up the rules as they went along. They would deal a card and decide what the rules were to govern the next play of the hand. That sort of reminds me of what this whole con-con process is. It is sort of tegwar. It sounds like an exciting game without any rules, and we are going to have to make them up as we go along. It really seems to be not a good process by which to fiddle with our Constitution, under this kind of a procedure.

Also, I know the Chairman has been seriously interested, and has questioned a number of the witnesses about who it is who might attempt to transform a constitutional convention for other purposes, purposes beyond a balanced budget. It seems to me it is clear that there is a very strong movement -- whether it is a majority or a minority movement in this country; call it what you will -- a radical right, an evangelical Christian movement that has sprung up, largely in the South and in the Southwest, but across the country, over the past two decades, which does have an agenda to transform

our Constitution; which has an agenda to transfer the country into a Christian America. That agenda is pretty well-defined, and it seems to me inevitable that this movement would seize this opportunity of a constitutional convention, if it could, to put on the table the entire issue of the direction of this country and its constitutional underpinnings. Indeed, it seems to me the very battle for control of the convention itself might divide this nation in a way that has not been seen since the Civil War.

Finally, even if it were ultimately decided that the convention could only propose amendments relating to Federal fiscal policy, there are probably very few issues, on the radical right agenda anyway, that could not be translated in monetary terms; for example, a prohibition on the appropriation of money for schools which do not require daily prayer, which do not teach Christian doctrine, or forbidding assistance to any state which does not make abortion a crime. There are many proposals on the agenda of some of these groups, which could be framed in terms of monetary and fiscal policy.

So, this is the can of worms, it seems to me, that the constitutional convention threatens to open. I think its proponents might do well to reconsider whether they really want to travel that road. Our Constitution has stood the test of time for 200 years. On 26 occasions, we have amended it by the traditional process of congressional proposal and ratification by the states, and I really question whether we want to face a constitutional convention ogre at this late date.

I thank you very much.

ASSEMBLYMAN ZIMMER: Thank you. I would just like to focus on the point you made about Congress having no authority not to call a convention once 34 states have acted, prefacing my statement with the understanding that we have never done this before. I would like to point out to you that the resolution I am sponsoring, as well as many of the other

analogous resolutions, provide that they are of no force and effect if and when Congress submits a balanced budget amendment. In my resolution, it says, "such as," and then it refers to the kind of amendment that has been given the most serious consideration in Congress.

PROFESSOR ASKIN: But-- Go ahead.

ASSEMBLYMAN ZIMMER: There is also an amendment I have asked to be put in at the suggestion of some of those who have been working on this issue elsewhere in the country-- It is a so-called "time capsule provision," saying the convention must be called within six months after the 34th state acts. Now, assuming, as you do, that we are playing -- whatever that game is--

PROFESSOR ASKIN: Tegwar.

ASSEMBLYMAN ZIMMER: --then no protections are adequate protections. But I would submit to you that these are reasonable means of communicating with Congress which, in itself, is the body -- I believe you would agree -- which has to call a convention.

PROFESSOR ASKIN: That is correct. I am not even sure what would happen if Congress ignored the call from the 34 states. Somebody could go to court and try to get a writ of mandamus, and the court might say it is a political question; the separation of powers forbids us from intervening because the Constitution specifically assigns that decision to Congress. And, we would have a constitutional crisis of sorts, I suppose, if Congress ignored it.

But, let me ask you, Mr. Chairman, I assume that some of the 32 states have merely passed resolutions which say that Congress should convene a constitutional convention for the purpose of proposing a balanced budget amendment to the states.

ASSEMBLYMAN ZIMMER: Correct.

PROFESSOR ASKIN: And if that is sort of the least common denominator of all of, say, the 34 resolutions, suppose

Congress passed -- proposed a balanced budget amendment that said, "There shall be a balanced Federal budget, except when a majority of both houses of Congress decides otherwise"?

ASSEMBLYMAN ZIMMER: Well, frankly, I think that would be a vast improvement over what we have. In fact, that is the kind of cap legislation that the State Senate passed a couple of years ago, in order to raise spending above the rate of inflation. It originally required a super majority vote, and ultimately our State Senate came away with a simple majority vote.

My point is, it is certainly a lot less that I would like to see, but, frankly, it would be a substantial improvement because nowhere now in our arcane budgetary process is there a requirement that you actually vote in favor of a deficit, other than to vote to raise the national debt, which everybody knows is a phony opportunity to grandstand which has no substance.

PROFESSOR ASKIN: Well, they do it de facto every year; they just don't do it specifically.

ASSEMBLYMAN ZIMMER: So, my answer to you is, it is not as nominal a change as you claim.

PROFESSOR ASKIN: But, I assume a lot of the sponsors of these 34 resolutions would say, "Well, that is not what we meant. That doesn't satisfy our demand." I am not sure where we would be left.

ASSEMBLYMAN ZIMMER: But the fact that that might happen at all would prove the point that this is an action-forcing mechanism that is a futility, when Congress has its own prerogatives threatened and won't act otherwise.

I did want to point out the efforts we have made to deal with that automatic convention process, which is something that those of us who are looking for an amendment, rather than a convention, are trying to focus on. If you can think of a more artful way to deal with that issue, I would be glad to have your suggestions.

PROFESSOR ASKIN: Well, other than Congress voting out an amendment, I am not quite sure how to-- Again, this question of holding the Constitution hostage until Congress acts, I am not sure is the soundest process, that's all.

ASSEMBLYMAN ZIMMER: Thank you very much. Martin Tanz?

MARTIN TANZ: Thank you, Mr. Chairman.

ASSEMBLYMAN ZIMMER: Good afternoon.

MR. TANZ: My name is Martin Tanz. I do not represent any group. I am a student of American government and an Eagleton Institute intern. I felt concerned enough to come down today to testify before this Committee.

The bill before you is, according to its supporters, a limiting one. If I understand the issue correctly, Mr. Chairman, you believe that a balanced budget amendment is the only way to eliminate excesses in spending. You, therefore, support a convention for the purpose of balancing the budget. Beyond these actions lie what I see as four basic assumptions, which I believe are erroneous: One, that the states may call for such a limited convention; two, that faced with such calls, Congress has the power to limit the agenda of the convention; three, that faced with these calls, Congress is obliged to heed the call for a limited convention; and four, that it is wise to write economic theory into our Constitution.

I quote Alexander Hamilton in his "Federalist 85," about the nature of Article V. I quote: "The words of this Article are preemptory. The Congress shall call a convention." Nothing is left to the discretion of that body. Indeed, the only historical precedent we have is the Philadelphia Convention. Based on that convention, you can only say that any convention would be highly autonomous, and that the delegates would be free to address any issue.

If this is so, it all but eliminates the use of Article V in response to specific limited issues. You are

creating a potential monster here. What if, for example, the convention would alter the nature of the 17th Amendment as a matter of balancing the budget, extending the term for Senators, for example? Thereby there would be less pressure on the Senate to always be responding to these special interests.

Probably more dangerous, though, is the attempt to embrace a substantive value; that is, a specific economic hearing. An amendment must address a procedural flaw, rather than a specific policy. ACR-54, and its various versions around the different states, embrace a theory, this is monetarism. The theory hypothesizes that deficit spending is the underlying cause of inflation and economic stagnation. The current discourse among economists only proves the point that this is not an established fact, but an economic theory.

The attempt to write economic theory into the Constitution is the now discredited Lockner (phonetic spelling) era, which was in the early 20th century. The Supreme Court attempted to write their version of Social Darwinism into the Constitution. This attempt led to a crisis in which the Supreme Court was almost brought down by the Executive Branch of government.

I quote Justice Holmes, in saying: "A Constitution is not intended to embody a particular economic theory, whether of paternalism or of laissez-faire." The danger is that the judiciary will increasingly be brought into the legislative process, thereby decreasing democratic participation. How would it be if every year the budget had to go to the Supreme Court, and nine nonelected, life-tenured justices would decide our budget every year? The Congress has the authority to do this, and they are the elected representatives of the people.

I just wish to urge you to consider these facts carefully in making your decision. Thank you.

ASSEMBLYMAN ZIMMER: Thank you. In all of your statements that a constitutional convention is not the

appropriate place to enshrine an economic philosophy, and it is inappropriate to put a balanced budget requirement in one, how do you square that with the fact that most states have successfully lived with balanced budget requirements, and that their budgets don't go to the Supreme Court every year; their institutions aren't threatened; and they seem to work quite well?

MR. TANZ: The nature of state governments, the way I see it, is essentially different from that of the Federal government. The Federal government is certainly more heterogeneous than state governments in what makes it up. It also has less responsibility. The Federal government has the responsibility for the national defense, maintaining a standing Army, and maintaining a foreign policy; and these kinds of things cost a lot of money.

ASSEMBLYMAN ZIMMER: Now you are going on the grounds of pragmatic policy, when your statement was based on political theory.

MR. TANZ: Right.

ASSEMBLYMAN ZIMMER: Could you tell me, on the grounds of political theory, why the states, which are microcosms of the Federal government with separate and equal branches of government and responsibilities -- both procedural and substantive -- why they can, and have, lived quite well with a balanced budget requirement?

MR. TANZ: The states are all different cases, so I can't speak for every state. For example, some states do not have the same system as we do in New Jersey, or that our Federal government has. The Federal government has a very delicate balance of power between the three branches which do not always exist. There have been examples of crises involving the judiciary in New Jersey on some cases, not specifically on budgetary issues. But, for instance, on questions of gerrymandering, there were times when the courts of this State came in direct conflict with the Legislature or the Governor.

ASSEMBLYMAN ZIMMER: Come back on Thursday, we are going to do gerrymandering. You may be in agreement on that one. Thank you very much.

Eleanor Stone?

UNIDENTIFIED SPEAKER FROM AUDIENCE: She asked if she could submit her statement later.

ASSEMBLYMAN ZIMMER: Sure. Gardiner Rogers?

GARDINER ROGERS: Mr. Chairman--

UNIDENTIFIED SPEAKER FROM AUDIENCE: Mr. Chairman, may I ask you why you are calling someone who is not on this list, when there are still people waiting?

ASSEMBLYMAN ZIMMER: Oh, wait a second. Who are you representing?

UNIDENTIFIED SPEAKER FROM AUDIENCE: There are two of us from the New Jersey Council of Churches, and there was one woman from the League of Women Voters.

ASSEMBLYMAN ZIMMER: Okay. The Council of Churches and the League of Women Voters testified in October. I want to call people who have not testified before, with the exception of Mr. Davidson, who I asked to respond to remarks made about him personally.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Okay. I just want to be sure you know we are here. I have not spoken before.

ASSEMBLYMAN ZIMMER: Yes, ma'am? (in response to Ms. Westover speaking from audience)

MS. WESTOVER: Mine is really the United Church of Christ. I just read the NOW statement as a substitute for Linda Bowker.

ASSEMBLYMAN ZIMMER: Oh, all right.

MS. WESTOVER: I am Hazel Staats Westover.

ASSEMBLYMAN ZIMMER: Okay, I'm sorry. You're Hazel Westover?

MS. WESTOVER: Yes.

ASSEMBLYMAN ZIMMER: Okay, you will be on next then.
Yes, sir?

MR. ROGERS: Thank you for the opportunity to testify before your Committee. I am Gardiner Rogers. I am a Pennsylvania resident; have been all of my life, except when I was in the military in World War II, and except for eight years in Missouri.

I speak on behalf of the 25,000 Board of Policy members of Liberty Lobby, the nation's oldest citizens' action institution which stands for American national independence, United States' interests first, and constitutional principles. I urge you to oppose the call for a constitutional convention, which the proponents are advocating ostensibly to balance the budget. While we strongly support the end of Congress's criminal spending and borrowing practices, a con-con -- a short name for a constitutional convention -- is an ill-advised and potentially dangerous solution at this time.

The intent of the Constitution's framers was for a con-con to be an autonomous body, independent of Congress and the states. As to the assurance that Congress can approve or reject the product of a con-con, that may be the opinion of some members of Congress based on -- in the words of one scholar -- "institutional egomania," but Article V of the Constitution gives no such power to Congress. In fact, the precedent for an unlimited convention has already been set. How? Back in 1787 -- as testified to earlier this afternoon -- when the last con-con met, the delegates violated their instructions from their electors. They did not revise the Articles of Confederation, as they were instructed to do. Instead, they wrote an entirely new Constitution which, admittedly, has been a great blessing to us.

Who the delegates would be at the con-con is anybody's guess. Convincing evidence exists that a con-con would be used to attack the basic tenet of our Constitution -- the doctrine

of separation of powers -- which provides the system of checks and balances between the government's branches. But, let's assume that the con-con is limited to balancing the budget. This can embrace a myriad of constitutional changes of tremendous consequence to the American people -- monetary policy, taxation, to mention but two.

Are we supposed to believe that the powerful financial interests now profiting from the deficit -- and here you alluded to this in your questions to some of the witnesses -- will not try to influence a con-con? The World Bank, which is growing in wealth and international power, is the largest purchaser of United States government securities sold by the Treasury Department when Congress borrows money. United States taxpayers pay the interest on these bonds and notes. They do it through the IRS, of course. Last year, the World Bank enjoyed \$1.8 billion in profits, while the United States became the world's largest debtor nation. The Japanese had such a trade surplus last year that they bought \$19 billion worth of United States government securities. Are we to believe that these and other powerful special interests would sit idly by while "the people" take charge of a con-con?

A con-con may bring about the very economic catastrophe the con-con promoters tell us will occur if they don't get a con-con. The current climate of economic prosperity the United States enjoys is largely the result of foreign investments -- also referred to earlier this afternoon -- and lending to the United States. This has happened because the United States is regarded as a safe place in which to invest. But, isn't it possible that if a con-con were called and the law of our land were under review and debate, that the United States may then be viewed as unstable, resulting in a withdrawal of foreign assets from the U.S.? If that happened, banks could collapse and the economic consequences could be devastating.

The American people have been given unconstitutional choices to solve our nation's deficit crisis. The balanced budget amendment before Congress is a complete hoax. The Senate committee report revealed its many loopholes. The amendment promoted in Congress has a section excluding borrowing from the definition of revenues -- very, very significant. How can you balance the budget if Congress is allowed to borrow? Interestingly, the chief sponsor in the House before Representative Larry Craig -- Republican of Idaho -- was Barber Conable, now President of the World Bank. Gramm-Rudman-Hollings was an unconstitutional fraud because it gave powers of the purse to unelected bureaucrats in the Executive Branch, although this is exclusively given to Congress under the Constitution. This may serve to wrongly convince the people that the only alternative way to balance the budget is to have a con-con.

The major establishment political figures of our day increasingly use internationalistic language and pursue globalist policies. To name a few: Democratic presidential candidate, Richard Gephardt, says the U.S. must fit into the "new world economic order." Chief Justice William Rehnquist argues that the Constitution should not be regarded as "immutable," but can be strengthened through changing it. Warren Burger, head of the President's Bicentennial Commission on the Constitution, says he is not afraid of a con-con, and suggests that perhaps we ought to reexamine the concept of separation of powers. Senator Orrin Hatch's -- Republican from Utah -- bill sets procedures for a con-con. It is now before the Senate, and reveals the mentality of many of his colleagues when he says that he believes that constitutional principles can be changed not only through a con-con and constitutional amendments, but through laws passed by Congress. Of course, the Constitution doesn't give power except through amendment procedures to change the Constitution. This is how a

parliamentary system works, like in Britain, which has no constitution to serve as a standard for the legislature's actions, but it is not how our constitutional republic is supposed to operate. The Iranian arms crisis is fitting perfectly into this scenario of the goal to persuade Americans that our structure of government does not work and that institutional reforms are needed.

Sadly, most Americans have a superficial understanding of the Constitution -- our birthright. It is poorly taught in school. A Hearst Corporation poll recently documented this. It comes as no surprise that few realize that the issue of balancing the budget was already debated by the delegates at the Convention of 1787. They came up with a solution that made Congress fiscally accountable to the states and to the people. The documentation for this can be found in the debates of the convention, the "Federalist Papers," and the states' ratifications of the Constitution. Its implementation was first used in 1798 to extinguish the Revolutionary War debt, and it was later used during the War of 1812, and again during the Civil War. This documentation has been hand-delivered to the offices of every member of Congress. It seems to me that if there were any sincere desire to return to constitutional principles and reject the internationalist policies promoted by Congress, at least one member of Congress would have the courage to publicly reveal these facts to the American people.

Most of our nation's ills are a result of disobedience of our Constitution by our public servants, rather than a deficiency in the document itself. From a practical standpoint, a balanced budget amendment passed by Congress is the lesser of the two evils when compared with the possibility of a con-con. For a more immediate solution to balancing the budget, we propose that Congress cut spending from its massive \$1 trillion proposed budget. For the long term, we advocate working toward returning to the constitutional method to

balance the budget, which is spelled out in the main body of the Constitution.

If New Jersey stands proudly in defense of our Constitution by voting to reject the resolution for a constitutional convention, the American people will be indebted to your act of leadership in neutralizing those constitution-changers and Anglophiles who hope to get rid of our separation of powers, which James Madison said was the only assurance against a tyrannical government.

As some of you know, several Orwellian constitutions have already been written. One example is the "Newstates Constitution," written by Rexford Tugwell, under the sponsorship of the Center for Democratic Institutions. Out of a total of 40 versions, I have several copies here. There are different things in different versions, which shows what might happen if we get into a convention. This Newstates, or a Constitution for United Republicans of America, is one of several constitutions, and there are 40 versions of this one that have been submitted by various think tanks in the country. But, this one, and the other version called the Newstates Constitution-- Its other title is, "A Constitution for the Newstates of America." They even want to change the name of the country. It concentrates more power in the central government, so that the states become mere appendages -- the very concept the founding fathers feared. Two samples of the Newstates Constitution are: 1) The practice of religion shall be a privilege, not a right; and 2), all firearms shall be in the hands of the military, the police, and only certain licensed individuals. Apparently, our God-given rights to worship and to keep and bear arms are to be controlled. Is this step toward tyranny what you want to leave future Americans?

We might remind our friends that Adolf Hitler called for national firearms registration as he moved into power, so

he would know who had them. Only certain individuals were allowed to have them after that, and you see what tyranny there was there.

The 32 states that have passed con-con calls did so with little public notice and few hearings. Over the last few years, information exposing the dangers of a con-con has been put into the hands of the constituents of the legislators in states like Michigan and Montana, and they have overwhelmingly urged their state Representatives and Senators to oppose a con-con. A few weeks ago, Liberty Lobby's Legislative Director testified in Montana and witnessed how the people could rise up, make their voices heard, and be victorious. We killed the con-con drive there. We can roll back this push for a constitutional convention and save this "greatest document struck by the mind of man." You legislators in New Jersey can join the growing number of patriots throughout America by voting no to a convention. In the name of all you hold dear, including your families and posterity, vote no -- please vote no.

ASSEMBLYMAN ZIMMER: Hazel Staats Westover.

MS. WESTOVER: I am really representing three different organizations -- three national organizations -- that work together, which have strongly opposed the call for a constitutional convention. They are the United Church of Christ, the YWCA, and the Religious Coalition for Abortion Rights.

The UCC drafted a statement first at its national meeting in 1978. The National YWCA and the New Jersey State Council of the Y made their first statement on October 14, 1978. They did it on the basis of these particular statements.

There are no constitutional or legal guidelines for:

- 1) Establishing a means of choosing delegates to such a convention;
- 2) setting the mode of its organization;
- 3) the time limits on its existence;
- 4) the scope of its activities;

and (5) the rules under which it would operate. A constitutional convention might do irreparable damage to the fundamental structure of our society by eroding the civil rights granted in our Bill of Rights, and might destroy many of the gains so painfully won in the long struggle of blacks and other minority citizens for full equality under the law as guaranteed in the 14th Amendment.

The quote from the YWCA's statement is: "Thus, while the YWA of the United States and the New Jersey State Council of the YWCA support preservation of the federal option of abortion as a matter of freedom of choice of religion and conscience, our opposition to the calling of a constitutional convention is grounded in our even more fundamental concern for the preservation of all of our civil liberties, and for the elimination of racism. We urge this Committee to reject this bill."

ASSEMBLYMAN ZIMMER: Thank you very much, Mr. Speaker.

CONZALEZ: I am Joseph Gonzalez. I had intended to come here and just say a short prayer, but I being a fan I won't wear because the fellow who owns it is a lot bigger than I. I could never hope to fill his shoes -- Edward Little (phonetic spelling) from Bayonne, New Jersey, who is also from Bayonne, New Jersey.

I have a deep sense of what is going on here. I have a sense of feeling that history is being made here, but any time the TV camera here, why isn't this episode covered in the newspapers?

ASSEMBLYMAN ZIMMER: I wish I knew.
MR. CONZALEZ: Yeah, I refer to something that one gentleman said here. He said, "All of the people kind of did most of the things -- who came out to do all the things -- that is true -- I believe it is because it is a responsibility Republican Congressman in Bayonne, and I see that you can't

and 5) the rules under which it would operate. A constitutional convention might do irreparable damage to the fundamental structure of our society by eroding the civil rights granted in our Bill of Rights, and might destroy many of the gains so painfully won in the long struggle of blacks and other minority citizens for full equality under the law, as guaranteed in the 14th Amendment.

The quote from the YWCA's statement is: "Thus, while the YWCA of the United States and the New Jersey State Council of the 18 YWCAs support preservation of the legal option of abortion as a matter of freedom of choice of religion and conscience, our opposition to the calling of a constitutional convention is grounded in our even more fundamental concern for the preservation of all of our civil liberties, and for the elimination of racism. We urge this Committee to reject this bill."

ASSEMBLYMAN ZIMMER: Thank you very much. Joseph Gonzalez?

J O S E P H G O N Z A L E Z: I am Joseph Gonzalez. I had intended to come here and just say a short prayer, but I bring a hat I won't wear because the fellow who owns it is a lot bigger than I. I could never hope to fill his shoes -- Ernest Lattieri (phonetic spelling), from Bayonne, New Jersey. I am also from Bayonne, New Jersey.

I have a deep sense of what is going on here. I have a sense of feeling that history is being made here, but why aren't the TV cameras here? Why isn't this splashed all over the newspapers?

ASSEMBLYMAN ZIMMER: I wish I knew.

MR. GONZALEZ: Yeah. I refer to something that one gentleman said here. He said 4% of the people kind of did most of the things -- who came out to do all the voting. So, if that is true -- I believe it is, because I am a Hudson County Republican Committeeman in Bayonne, and I see that you can't

get people to come out and vote, on just about any issue. One time City Hall was filled at a council meeting because they were trying to pass a dog barking ordinance. They filled the hall with that. So, if you don't get the right issue, you can't get the people out.

ASSEMBLYMAN ZIMMER: We filled a hall in Jersey City a while ago, as I recall, on an issue.

MR. GONZALEZ: Yeah, on I&R; I was there. But, what I am trying to say is, I think there is enough evidence to show that there are things amiss, and we ought to-- You keep asking the question, "Who is it you think is behind this?" I believe there are enough-- Like, this fellow who just spoke talked about the internationalists. I have here a copy of the "Bicentennial Plot," and I'm sure you have it. If you don't have it, I have given a copy to Marion LaGrecka (phonetic spelling). I also gave her a copy of "The Impending Constitution," which this gentleman just before me referred to.

So, what I am all about is, prudence dictates that we should at least go very cautiously. I am opposed to it. We should not go ahead with this. I think you ought to do an investigation, find out who these people we fear are, and see if it is true. Then, if you think it is true, go on the airwaves, or, if you think it isn't true, get on TV, get in the news media, and report your findings. But, don't rush into this thing.

I would like to end with a prayer, if you would allow me: Heavenly Father, I am mindful today that all rights come from you, and all authority is ordained of you, and that this Committee is an ordained ministry of yours. As such, it will, in effect, do your bidding.

You have given us leaders who understand that all rights come from you -- from George Washington, who prayed at Valley Forge, to Ronald Reagan, who also prays today. Father, I pray that this Committee will abide by your will, and that you will make it known. I ask that in Jesus' name. Amen.

ASSEMBLYMAN ZIMMER: Thank you.

MR. GONZALEZ: I want to submit this "Bicentennial Plot" for the record.

ASSEMBLYMAN ZIMMER: Sure. David Coggins?

J U D G E D A V I D B. C O G G I N S: Mr. Chairman and members of the Committee: I thank you very much for the opportunity to come to testify here today. I am not -- unlike predecessors in this witness chair -- either a constitutional scholar, a legislative lobbyist, a politician, an economist, nor a spokesman for any large organized group. I do suggest that it is imperative that this Committee keep very separate and distinct the two major issues which have been testified to here today. The first is the appropriateness of adopting a balanced budget amendment -- the merits of such an amendment -- and the other is the method by which such an amendment might possibly be achieved; that is, the constitutional convention, as opposed to the method which has been used pursuant to Article V of the United States Constitution for the last 26 amendments and, indeed, was the same method which was being used for the last attempted constitutional amendment.

I am one of many small private citizens who are heavily indebted to the Federal Constitution for our freedoms. I have, on several occasions, taken a solemn oath -- as a soldier, later as a military officer, later as a lawyer, and still later as a judge -- to defend our Constitution. My presence here today is pursuant to that oath.

The remarks I prepared for this Committee I will not be delivering, because they would simply be a repetition of much of the materials which you have already heard articulated more vigorously, and perhaps more articulately, than I might do. I do not purport to speak in Spenserian tones, nor in melliferous voice, nor with any special artifice. I am here solely as a private citizen and on behalf of some friends of mine, who join me in an effort to learn more about the

processes of our government, to get ourselves informed on the issues, and then to make our voices known in the time-tested modes available to citizens, by letting our elected representatives know what it is that we, as citizens, fear, what it is we seek to achieve, and that which we seek to avoid.

It is no jingoism, nor is it rhetoric to express fear and concern that a constitutional convention, once called, with whatever restrictive wording may be added by manifestly nonuniform State resolutions, will be without any legally binding limitations on authority. It seems clear that there is no consensus that we as citizens of this nation can rely upon anybody, whether it is the American Bar Association -- whose official statement you heard recited here-- It would have absolutely no binding effect whatsoever on any convention. Indeed, we cannot even be sure that under the political matters of policy of the Supreme Court of the United States, that the judicial body under Article III of the United States Constitution would not intrude into what is essentially an Article I matter. That is for the Legislature to determine.

I have no confidence that the protections which we enjoy now as citizens of the United States would continue in the event of a modification of our Constitution.

With respect to the issue of the appropriateness of a balanced budget, I simply would comment, as a private citizen, that my family would be in financial ruins if I were to operate my family finances in the manner that the United States Congress has ruled the finances of the United States of America. There is no question but that, inasmuch as bankruptcy is available to a citizen only once every seven years, we would be hounded day and night. Indeed, the major distinction, of course, is that I and my family and my friends have no power to issue new Federal reserve notes to pay for our profligacy as a family. There is a major distinction.

I would suggest, gentlemen, that the intelligent citizen who seeks specific limited surgery, as with lazar microsurgery, will not willingly allow the surgeon to perform a general laparotomy, opening the entire abdomen and thoracic cavity to infection, slips of the knife, and radical excisions, with the rearrangement of parts which are working well. If any lady in this hall desires to have the benefit of a tubal ligation, it is not necessary to make a 13-inch incision down the middle of the abdomen in order to open up all 26 feet of the intestines and allow them to come out onto a sterile tray, and then have the surgery done. It is done through the umbilicus by precise techniques that have proven to be effective for the purpose. I don't believe any of you gentlemen would want to undergo a vasectomy by general laparotomy.

I would suggest that the image, although perhaps gory, is not an inappropriate one. The body of the United States Constitution is such an important body and document, that for us to take any chances whatsoever with respect to a general rearrangement, and a rewriting of the parts of the Constitution, is very hazardous. I would suggest that Russian roulette offers each of us a five to one chance that nothing will happen except the dropping of the hammer on an empty chamber. I don't believe there is anybody in this hall who would undertake to rely upon those odds. The reason is that the stakes are too high. We may like the odds; five to one sounds pretty good. In a horse race, we might want to rely upon that. But, in something where the stakes are far greater than losing \$2, or \$10, we don't take the chance. Indeed, I don't believe anybody in this hall would take on something in the nature of Russian roulette, even if the odds were 1000 to one.

~~I address this not as a statistical exercise, but to~~
point out that those who would pooh-pooh, or denigrate the

voiced concerns that have been expressed here in this chamber today, over the prospects of what has been termed a runaway convention-- These are not insignificant concerns, not because of the odds, but because of the stakes involved.

Last September, I wrote letters to 33 members of the Legislature of the State of New Jersey -- the first 11 legislature districts -- and advised that the following year, which, of course, is this year, 1987, the Constitution would be 200 years old. There has never, in the history of civilization, been such an inspired, durable, inflexible document of secular government. The Ten Commandments are, of course, older, and a bit briefer, but they came from perfect God, and not imperfect man. The 26 amendments which have been adopted to date, gentlemen, have all been adopted by the major route, which is enunciated in Article V of the United States Constitution for amendments.

I share the Chair's concern and frustration that Article V has not made absolutely clear that the people of the states can, without having to initiate an amendment to the Constitution, through the United States Congress-- They would like to be able to initiate it on their own. Unfortunately, however, the document has never been tried. In all the history of the last 199 and a half years, there has not been a single amendment attempted through that process that has gone to fruition. It has always been through the route of the Congress first, and then ratification.

The last time a constitutional convention was convened, in 1787, the entire existing document was discarded. That was the Articles of Confederation. A completely new document was drawn up from scratch. Happily, the members of the 1787 convention were men of great wisdom, with enduring patience, without partisan axes to grind, and they drew their guidance, in large measure, from the spiritual, moral, ethical, and philosophical principles of accumulated wisdom over 50 centuries of Judeo-Christian civilization.

I have purchased for each of you a copy of a reprint, which I believe has already been referred to by the preceding witness; that is, a reprint of an article entitled, "Bicentennial Plot." This is not the workings of a feverish, underslept mind that is trying to conjure up sources of alarmism. It is an analytical approach, step by step, pointing out the history of the Constitution and what has happened with respect to it. May I suggest that each member of this Committee might find it very profitable to read Professor James MacGregor Burns' 1984 book entitled, "The Power to Lead," where he made an appraisal of our constitutional system, saying, "The framers of the Constitution have simply been too shrewd for us. They have outwitted us. They designed separated institutions that cannot be unified by mechanical linkages, frail bridges, tinkering. If we are to turn the founders upside down -- to put together what they put asunder -- we must directly confront the constitutional structure they erected." Burns is the Cochairman of Project '87, a private group. He is also a member of the Board of Directors of the Committee on the Constitutional System, whose power is not to be underrated.

In 1985, a book was put together by editor Donald L. Robinson, entitled, "Reforming American Government: The Bicentennial Papers of the Committee on the Constitutional System." In that book, there are 40 working papers set out verbatim, including such changes to our form of government as the team ticket -- which, by caption itself, sounds innocuous, but when you read the language in the two paragraphs on page 4 of this reprint, you will see that the team ticket is a very, very radical change to our form of government; bonus seats; a one-house override; ratification by reduced majority; and, the power to dissolve the government that is in office, in the manner of a parliamentary system.

I want to point out to this Committee that the Montana State Legislature -- the State Senate -- sent a very clear

message to the nation on March 19, when they voted, 45 to 4, rejecting a call for a constitutional convention. What is very interesting, gentlemen, with respect to this action by the Montana State Senate -- which is, of course, no way binding on this Committee or on the New Jersey General Assembly -- is the fact that only two weeks before the vote, an informal poll showed only five senators opposing the convention call. When those Senators got the information which they had theretofore been denied with respect to the hazards of an open convention, the vote turned out 45 to 4 against the call for a constitutional convention. That is an increase, I submit, of 39. That is a very significant increase. Out of 49 people voting, only five had indicated earlier, only two weeks before the vote, that they were going to be opposed to the concurrent resolution, and it turned out 45 to 4 against.

I suggest that the Senators in Montana are not all that different from the General Assembly persons in the State of New Jersey. They seek to do that which is right. They were clearly aware of the budgetary problems -- the out-of-control finances of the nation. There is no question about that. They are not ignorant people, any more than this Committee consists of ignorant people.

So, I suggest that their concern was a very well-based concern, and the change in their attitudes and, indeed, as reflected in their voting, was the consequence of information.

One other point with respect to the Montana matter is, in an article dated April 13 of this year, I note: "While the victory in Montana gives defenders of the Constitution reason for encouragement, the battle moves on. Bills to withdraw their states' petitions for a constitutional convention have been introduced in the following states: Maryland, AJR-9; Pennsylvania, HR-10; Texas, HCR-69; and, Nevada, AJR-25." This indicates that-- I believe it was Governor Hughes, in his remarks as the first witness today, who pointed out that the

states are manifesting very great concern with respect to the impact of a constitutional convention. Indeed, a number of states are very profoundly concerned, inasmuch as the first 17 -- according to Governor Hughes -- that called for a constitutional convention -- fully one-half of the 34 necessary -- did so without even holding inquiries, as this Committee is holding today.

As these state legislatures have been finding out more recently -- as the momentum has gained with respect to this issue -- more facts, they are now changing their minds. As we noted with respect to the proposed 27th Amendment -- the one that failed -- of ratification -- there was a great concern as to whether any state could withdraw ratification. You recall seeing the debate on that issue as to whether ratification could be withdrawn. By the same token, any attempt on the part of a state legislature, through a concurrent resolution, to limit the scope of the authority of a constitutional convention, would, I am afraid, be ineffectual.

The certification by the Secretary of State of a state is indicated as a yea or nay, and whatever language may have been in the resolution goes in at the peril of those who wrote it, with no assurance whatsoever that the Federal government will limit the authority of an open convention.

Rather than make any further remarks, I would like to invite the most attentive consideration by each member of this Committee to the reprint. I have an additional copy for each of you in another file folder, and I will leave the copies with Mr. Zimmer before I leave. I would like to leave it as an additional indication of the concern of small citizens -- individual people -- over what might happen. It is not just a conjured up specter; it is a very real probability that we will no longer have the Constitution that we have been enjoying the protections of over these many years.

With that I will terminate my remarks, with the very urgent request that each member of this Committee give very careful consideration to all of the issues, and defeat ACR-54 in its entirety.

ASSEMBLYMAN ZIMMER: Sherry Warner?

S H E R R Y L. W A R N E R: This is just my personal statement. I do not speak for anyone but me. I am an ordinary housewife. I don't have a lobby, so here it goes.

Honorable Assemblymen, New Jersey Legislature: Please stop the New Jersey Legislature from passing ACR-54, calling for a constitutional convention. We cannot afford to allow people of questionable character and motives to have easy access to rewriting our Constitution. Our society and republican form of government are already at risk.

Convening a constitutional convention would be equivalent to calling for the murder or suicide of the United States. We would be destroying the basic foundation on which this country was built. We would be guilty of voluntarily surrendering to all the enemies and evil forces that would wish to destroy this country. Never in a thousand years could any group of people rewrite the Constitution to protect and defend the liberties which our Constitution now provides.

We need all branches of government to work harder at protecting and defending the Constitution, as they say they will when they take their oath of office.

Thank you.

ASSEMBLYMAN ZIMMER: Thank you. Thomas Warner?

T H O M A S M. W A R N E R: My name is Thomas Warner. I live in Salem, New Jersey. I am addressing these remarks to the honorable Assemblymen and the New Jersey Legislature.

Dear Sirs: Please kill ACR-54, the resolution calling for a constitutional convention for a balanced budget amendment.

A constitutional convention would not be bound by any restrictive language passed by a state legislature, such as:

"For the exclusive purpose of considering an amendment to balance the Federal budget." The wording about a balanced budget amendment has absolutely no legal standing at a constitutional convention to limit its activities.

The first constitutional convention was called only to amend the Articles of Confederation. The convention ended up abolishing the Articles of Confederation. Another convention called to amend the Constitution could very well end up abolishing the United States Constitution.

If we really want a constitutional amendment for a balanced budget, we can use the same process used in the past to produce our 26 other constitutional amendments.

According to Article V of the United States Constitution, whenever two-thirds of both houses of Congress propose an amendment to the Constitution, and the legislatures of three-fourths of the states ratify the proposal, it becomes valid as part of the Constitution.

In the American Revolutionary War, our freedom was won, in large measure, on the battlefields of New Jersey. Do not let our constitutional freedom be lost in New Jersey on the battlefield of ACR-54.

ASSEMBLYMAN ZIMMER: Thank you, Mr. Warner. That concludes the list of people who did not testify at the initial hearing in October.

B E T T Y A. L I T T L E: I did not testify. I was listening for the New Jersey Council of Churches, because I was an alternate for Reverend Sarfaty, but Carol Kasabach is here to do that. However, I do have a statement of my own.

ASSEMBLYMAN ZIMMER: What I have left-- You're Carol Kasabach?

C A R O L K A S A B A C H: No, I am.

ASSEMBLYMAN ZIMMER: Okay. Well, we will have someone speak on behalf of Reverend Dudley Sarfaty, and you are Betty Little.

MS. LITTLE: Right.

ASSEMBLYMAN ZIMMER: And Ed McCool of Common Cause, and the League of Women Voters. Now, is there anyone who hasn't spoken at the October hearing? (inaudible reply) Okay, we will go back to the list. Oh, I'm sorry. Dick Kamin -- Assemblyman from the 23rd District -- is here. Did you raise your hand? (Assemblyman Kamin responds from the audience, but his response is inaudible to transcriber since he is not near a microphone.)

Some of these people have been waiting all day. Thank you.

Yes, sir? (in response to a gentlemen in the audience)
CHARLES KUSZMAUL: I signed up several months ago; I did not sign up today.

ASSEMBLYMAN ZIMMER: Did you speak in October?

MR. KUSZMAUL: I said I signed up several months ago, but I didn't sign up today.

ASSEMBLYMAN ZIMMER: But, you didn't have the opportunity to address us in October? Are you on the record once?

MR. KUSZMAUL: No, I wasn't at the October hearing, but I did sign up after that, for this.

ASSEMBLYMAN ZIMMER: Okay. And, ma'am, you had your hand up? (in response to a lady in the audience)

ESTHER C. ABRAMS (speaking from audience): Mr. Chairman, I am representing the AARP. My testimony was handed in earlier. I did not speak. (remainder of comments inaudible)

ASSEMBLYMAN ZIMMER: Okay. We have your testimony in the October transcript. We will put you on the second tier. Sir, since you have not yet spoken, either in October or this afternoon, why don't you speak to us now?

MR. KUSZMAUL: My name is Charles Kuzmaul. I am against the matter of having a convention, but I am for a balanced budget. It is just that I feel we should not expose

our Constitution to a convention, because there seems to be a plot to use that to present proposals that would bring us into a parliamentary type government, should enough people within that convention think like they think.

Then, when it comes back to the State level, and we have a convention, we'll say, on the State level, if enough people in that level think like they think, we may find ourselves facing another type government. Then, should that happen, I don't know what might happen. It could bring about a lot of bloodshed in the nation. I don't know what would happen. None of us know.

I have talked to hundreds of people, and I will simply say that they do not want to jeopardize our Constitution. They are for a balanced budget, but they do not want to do this.

Now, I have heard a lot of different statements here, but no one has brought up the matter of why we are spending so much money. One thing I understand, through a book I have at home called, "Where the Money Went," by Louis Stone, who I have talked to personally-- It has been a number of years since I spoke to him, during the 1970s, I would say -- somewhere along there. This may be true. I have not counted -- if you all want to make a count -- but he has listed in his book 700 private enterprises that our Federal government is involved in, where our tax money is keeping them afloat. He points out in his book that if our Federal government would get out of private enterprise -- which they do not belong in -- it would cut our budget down to 38%. Of all the taxes the Federal government collects, he said that only one-fourth of them comes from income tax. Therefore, we do not need the income tax. He is the one, of course -- the author of the "Liberty Amendment." At the time I spoke to him, back in the early '70s, I think 12 states had more or less ratified his particular amendment. So, we have that.

Another thing -- possibly you have seen the list; I don't have it with me to verify it -- there is quite a long list of nations which we are supporting -- where we are spending millions, and probably billions. Also, we spend millions of dollars -- I cannot give you the figure off the top of my head -- on an average, per year, supporting communist nations.

In other words, all I am saying is, if we really want to dig into it, there is a lot of our money going to things we really shouldn't be involved in as a nation. I think it would be very helpful if we could get our government less involved in things of that nature.

I may say that the head of Duke University Law School -- Dillinker (phonetic spelling) was head of it, and I think he still is -- when he testified before a committee in Congress, pointed out that of the 32 states that had called for a constitutional convention -- other than the balanced budget -- 18 had stipulated certain things. Anyway, he said that regardless of what conditions they testified under when they were calling for a constitutional convention, they would be swept aside, and no attention would be given to them. The question would be, is this state calling, or is it not calling? So, evidently they have done that, because we have-- There are still 32 states. Delaware had at least six provisions. He pointed those out. The one he uses as an example-- He said, "Even in Delaware, those six items would be disregarded. Is Delaware calling or not calling?"

These are some things we need to think about and consider. It seems to me there was something else I had, but I think maybe I have said enough here. Let's see-- Another thing, too, I guess we are concerned about is, with a constitutional convention, who controls it? When it comes down to us, the people, our best chance in controlling anything is on the local level -- the county -- and working up through the

county. That is where we would have our best chance. In other words, the further away our government gets from us, the less control we have, and the weaker we are as a people, and the more the government controls us. I am afraid that if we have a constitutional convention, we may find ourselves faced with a constitution which -- like out in Montana-- They are faced with a constitution they didn't ask for, but which was put on them by an edict, or whatever. They lost their rights out there -- I was talking with a rancher -- their homestead rights, and so on. Whatever may happen on a national level, it is hard to say what we might lose. Certainly, if our Constitution is rewritten, we are certainly not going to have more, but less control as a people, and probably a weaker nation because of it.

Thank you.

ASSEMBLYMAN ZIMMER: Thank you very much. I would like to now invite the representatives of the Council of Churches to speak.

MS. KASABACH: My name is Carol Kasabach. I am the Director of the Office of Governmental Ministry in New Jersey. This Office is a ministry of advocacy through a partnership of the New Jersey components of the Lutheran Church in America, the American Lutheran Church, the Association of Evangelical Lutheran Churches, together with the New Jersey Council of Churches and Lutheran Social Services of New Jersey.

Today, I speak for the New Jersey Council of Churches in place of the Reverend Dudley Sarfaty, who is the Associate Executive Director of the Council.

In 1986, the New Jersey Council of Churches undertook an extensive developmental process in the formulation of resolutions. Both member denominations and commissions of the New Jersey Council of Churches participated in this open process. I wish to emphasize the extent of member denomination participation, so that you will understand that the resolutions

presented and accepted have substantial support in the religious community.

Fourteen of the 17-member denominations were represented by 133 persons at the May 3, 1986 annual meeting of the New Jersey Council of Churches. On that day, the Commission on Government of the New Jersey Council of Churches held hearings on a Resolution on the Constitutional Rights. The same resolution was also considered by the Commission on Research and Church Development.

This resolution was reported favorably out of committee. It was explained at the time of presentation and, there being no further questions, the delegates adopted it without dissent. This makes it a powerful statement about our concern for the protection of human rights as expressed in the amendments to the Constitution of the United States, and as provided for in the New Jersey Constitution. Two issues were addressed in this particular resolution.

"Resolution on Preservation of Constitutional Rights:

"WHEREAS the New Jersey Council of Churches opposes the call for a Federal constitutional convention on the grounds, among others, that such a convention could conceivably threaten the religious and civil liberties embodied in the Bill of Rights; and

"WHEREAS a proposed New Jersey constitutional amendment to establish a process for initiative and referendum at present provides no protection for the civil and religious rights contained in Article I of the State Constitution;

"THEREFORE, the Annual Assembly of the New Jersey Council of Churches resolves to confirm opposition to the call for a constitutional convention, to endorse the action of the Commission on Government, which seeks to exempt Article I of the New Jersey Constitution from the process of initiative and referendum, and, in the event of a proposed I&R amendment which does not include such exemptions, to refer the issue to the

Commission on Government and the Governing Board for further consideration."

Attached are the delegates and their denominations. These people are highly respected within their denominations, and present a strong voice against the call for a constitutional convention.

ASSEMBLYMAN ZIMMER: Thank you very much.

MS. LITTLE: Assemblyman Zimmer, I am an adviser on the New Jersey Impact Board of the New Jersey Council of Churches. I am also an environmental adviser to the Legislative Committee of the National Office of the American Association of University Women. I am also a student of citizen participation in an external degree program. I wanted to share some of my views with you at this time, because I will be in an advisory capacity to these two organizations, and because I do not think that simply turning down this resolution is a solution to the problems. In other words, I think that many of us have a long-term commitment to resolving the problem that has been raised by the fact that we have a government which financially seems to be out of control and, at the same time, which does a lot of things to people of every economic level. Also, at the same time, the question arises of whether or not the Constitution is the appropriate means to do that.

The call for a constitutional convention should be made only if there are defects in the goals or structure of government of such magnitude that they cannot be remedied in any other way. There are two issues in ACR-54, one of which has been talked about a good bit today; the other one really has not been discussed too much.

The first is how to control the Federal budget; how to keep the expenses of government within range. The answer provided by this resolution is either to pass a constitutional amendment, or to call for a constitutional convention and rewrite the Constitution.

The New Jersey tax hearings held during the 1970s, in which I participated and testified, amply demonstrated the interrelationship of government financing at all levels. In New Jersey, a simple cut in public financing -- in Federal financing -- would be very detrimental to our cities. We get a large amount for the cities. Things like the Superfund-- We are getting a large amount of money coming from the Superfund. Those kinds of things could be really contrary to the goals of the people of the State of New Jersey. Our education system -- as has been said today already -- responds to the Federal level. There are also things that the Federal government does -- welfare things -- that the State government does not address at all. So, I think we have a very complex problem here.

Taxes are used both to raise funds and to achieve societal objectives, which makes a further difficulty. That is particularly true in the field of environmental concerns. Those who feel that government spending is too large a part of our GNP may not understand that the strategy suggested here could reduce governmental spending on education, health care, and support for the aged, which they support. To call for control of the budget through the Constitution still does not identify what will be in the budget, and is a dangerous procedure.

The Congress and the President have been working for tax reform and control of inflation over the last several years. Those who have followed these proceedings are aware of the difficulties and frustrations involved in this process. There is no simple answer. I think one of the problems that I have identified in my dissertation work, is the fact that economists themselves are not working together on this problem. They do not know how to participate in forums such as this. I did a survey a year ago which demonstrates that they expect to be called as "experts," so they would not automatically come into a forum such as this to discuss the

budget with you. You did have a student here today, and that is quite commendable. But, considering the list of people who are interested in this issue, all the way from Paul Samuelson to Kenneth Arrow, we have no definitive statement on that. One thing I would like to do, and plan to do, is to see if I can develop that as an economist. But, they do not understand that they need to be here at these hearings, in order to affect society. That is pretty well documented.

An article in "Time," dated March 30, 1987 -- which I am including for the record -- entitled, "A Change in the Weather: As Reagan's Era Recedes, Compassion and Government Activism Regain Favor," includes a poll taken for "Time." Sixty percent of those polled would, "Support increased spending for social programs, even if it would require an increase in taxes." Of those polled, 78% supported increased spending for health care for the elderly; 73% for environment; 71% for aid to the homeless; and, 71% for health services for the poor. This suggests that even if a convention were called, it might seek a budget higher, and not lower, than the current one. That is contrary, I believe, to the desires of the authors of this legislation.

So, we have the whole tax structure question -- what the tax will mean to us if we hold down taxing and government spending, and the whole interrelationship of governments -- the complexity here. That is one whole set of issues which I think needs to be addressed by the economic community, but it has not been done.

The second issue is, how to control bureaucracy in the United States. That is an issue we really have just touched on today. In a book called, "A Machine That Could Go of Itself," Michael Kammen concludes that the Constitution has been able to weather many crises in American history because there were always ~~persons who acted as guardians and custodians.~~ The Constitution is not, after all, a machine that can go of itself, and Kammen concluded that. What, then, is needed?

Although we have scholars in constitutional law -- and you have heard some people making attempts at that -- I really have heard no one today who speaks in the same vein as Henry Steele Commager lectured in when I was at Columbia. He understood the entire scope of the Constitution and its fellow institutions. What we have are people studying the Constitution and the laws that are affected by judicial decisions, and another group of people over here who deal with social issues and problems. We do not have anyone looking at the situation from a holistic point of view, excepting perhaps yourself and myself.

A nation of farmers -- which is where we began with this Constitution -- saw a government with limited powers that provided for due process and division of powers as being very suitable. We are no longer a nation of farmers. The social upheavals of the 1960s suggested that this type of government was inadequate to address contemporary environmental and social problems. Bureaucracy was fostered as a response to industrial society and, supported and encouraged by a political system, had efficiency as its objective. That is exactly the opposite of what we have gotten. I was part of a study done by the New Jersey Division of the American -- the AAUW -- on water for the 21 century, in which we decided that the seven laws governing water were, in effect, not giving us protection at all, because the bureaucracies were fighting over authority and laws. That state of affairs is even worse now than it was a year and a half ago when we did the study.

The bureau then was considered nonpolitical, and could provide trained and knowledgeable experts to exercise law and policy-making authority independent of the political branches. This power often interfered with individual and corporate liberty and property. I might say, it has grown almost unbelievably and almost out of hand. It is the budgets and missions of these bureaus that are largely responsible for us losing control of our budgets.

American political history might be viewed as a conflict between attempts to create an effective administrative structure and implement national policy and a deeply ingrained contemporary distrust, even hostility, towards the authority of government. Attempts have been made to control bureaucracy through:

1) Judicial review and full participation by interested groups and individuals in administrative decision-making. There is some evidence that this has been an effective tool, particularly on environmental issues, when it has been funded. But right now that program is not funded;

2) Congressionally imposed standards of accountability imposed on administrators at the time authority was delegated;

3) Governmental reorganization -- that is very popular. The new President or the new Governor comes in and he starts at the beginning. There, the economists have made some recommendations in terms of zero-based budgeting;

4) Deregulation, shrinking the staffs, funding and missions of bureaus, and relying on market mechanisms -- a sort of neo-laissez faire. This is the Reagan Administration philosophy;

5) Finally, through the threat of a constitutional amendment or restructuring of the Constitution -- which is your proposal in ACR-54.

I might also say it is not only the bureaucracy itself, but the almost complete inability of the public and the legislatures at every level to control the war effort. Defense seems to be immune from control and budgets.

Benjamin Barber of Princeton University, in his book, "Strong Democracy: Participatory Politics for a New Age," suggests that it is time to revitalize the role of citizenship in our society and work towards new forms of democracy. I quote: "To call for a constitutional convention," he states,

"is to invite disaster. The American system, like entrenched democratic constitutions everywhere, survives by evolving, and evolves by accrediting new institutional layers that conform to the contours of a historically tested practice, even as they alter the system's dimensions and center of gravity. Strong democracy is a complementary strategy that adds without removing, and that reorients without distorting. There is no other way."

A public hearing or series of public hearings which encourage both academic and nonacademic participation in a serious effort to rethink our Constitution, its goals, and the governmental structure which has preceded from it, is needed. That 16 of the states which support this proposal did not even hold hearings suggests that this resolution has not as yet had serious public review. The call for a constitutional convention was first proposed in 1975, and there is little or no record of the motives of those who have thus far given it support.

I urge you to reject or table this resolution until this body, or some other, can organize a conference to explore alternatives in-depth. What was missing today was the economists. A constitutional convention without guidance for its membership, procedures, and agenda would be chaotic. It would stop government activity; it would disrupt government at all levels; it would set back programs and policies designed to meet public needs. If the individual good and the public good are out of harmony, let us seek less drastic ways to reconcile the differences.

ASSEMBLYMAN ZIMMER: Thank you very much. Just on your assumption that if we got all of the economists together, they would be able to agree, I am not sure that experience bears that out.

MS. LITTLE: No, but I think-- You know, as I listened today, I thought to myself that the implications of

this could have been -- should have been explored with -- if we could have gotten them-- Both sides here worked very hard to get expertise at this hearing. I want to compliment you on the handling of this hearing, excepting for myself, who should have simply registered as a citizen.

You have listened very well to all the people who have spoken. You have paid attention to their points. I think if public hearings could be run more often in this fashion, we would advance the causes of good government.

ASSEMBLYMAN ZIMMER: Thank you very much. Marie Curtis, League of Women Voters?

M A R I E C U R T I S: Good afternoon, Mr. Chairman. I am Marie Curtis of the League of Women Voters of New Jersey. I am not going to take the time to read my testimony. I think we have all been there before. I am sure you and the Committee members are well aware that the League opposes ACR-54. We do this on both counts.

The League conducted a study and consensus process nationwide between the years 1984 and 1986, so it is very current. That study was on financing the Federal government. The results of that study -- with more than 100,000 League members involved nationwide -- was that, while we strongly support a balanced budget in concept, we do not believe that mandating it is the way to go, because there are those extraordinary circumstances where deficit spending is warranted. One has only to look back to World Wars I and II to recognize that we could, indeed, be in a crisis situation if we didn't have that flexibility.

We also, of course, are very concerned with the idea of a constitutional convention. You have heard all of this from us before. I am not going to go over it again.

I have a couple of comments, though, that I noted after listening to the previous speakers today. The first comment is with regard to a question which I believe came from

you, Mr. Chairman, early this morning: "Why did they put this thing in Article V of the Constitution if it wasn't meant to be utilized?" I think if we look back to the time that our founding fathers were writing this Constitution, they had just come through a Revolution. I think they had just come to the conclusion that the Articles of Confederation had proved unsatisfactory. So, maybe they were having a little attack of humility. Perhaps they felt they shouldn't insist that their document was the only way to go. They may have been saying, in essence, "If this Constitution, like the Articles, doesn't work out, then here is a way that you can change it and try again, because our way may not work either."

I think you know that the League doesn't wish to change and try again. We think their way did work, and we would not like to jeopardize the remarkable foundation in government we have.

Two other points: One, everybody has been talking about a balanced budget and runaway spending. Have we considered the cost of a constitutional convention and delegate elections? True, minimal in the overall concept of the overall debt, but, nevertheless, a rather major cost factor, especially when we have no limitation or time constraints on such a convention.

My last point is: We heard from Mr. Davidson the phrase, "Trust the people. Trust the people." I think, Mr. Chairman, that you and the Committee know that the League of Women Voters does, indeed, trust the people, and have always stood for that. However, I don't think it is quite a carte blanche phrase that can be used in every situation. After all, back in 1787, trusting the people meant trusting the white male people in the populace. What happened was a Constitution that excluded women from the right to vote. We in New Jersey had that right -- we females here -- but our 1850 Constitution had to be brought in line with the Federal Constitution, or so it

was felt at that time, and we lost our right to vote because of those founding fathers in 1787.

So, we, at least personally, the descendants of the women of New Jersey of that time, maybe should not have trusted the people at that point.

ASSEMBLYMAN ZIMMER: Thank you.

MS. CURTIS: Thank you.

ASSEMBLYMAN ZIMMER: Our reporter has run out of tape. It will take about two or three minutes to switch tapes. So, we will take a break, and then we have two more witnesses scheduled -- Ed McCool and Dick Kamin.

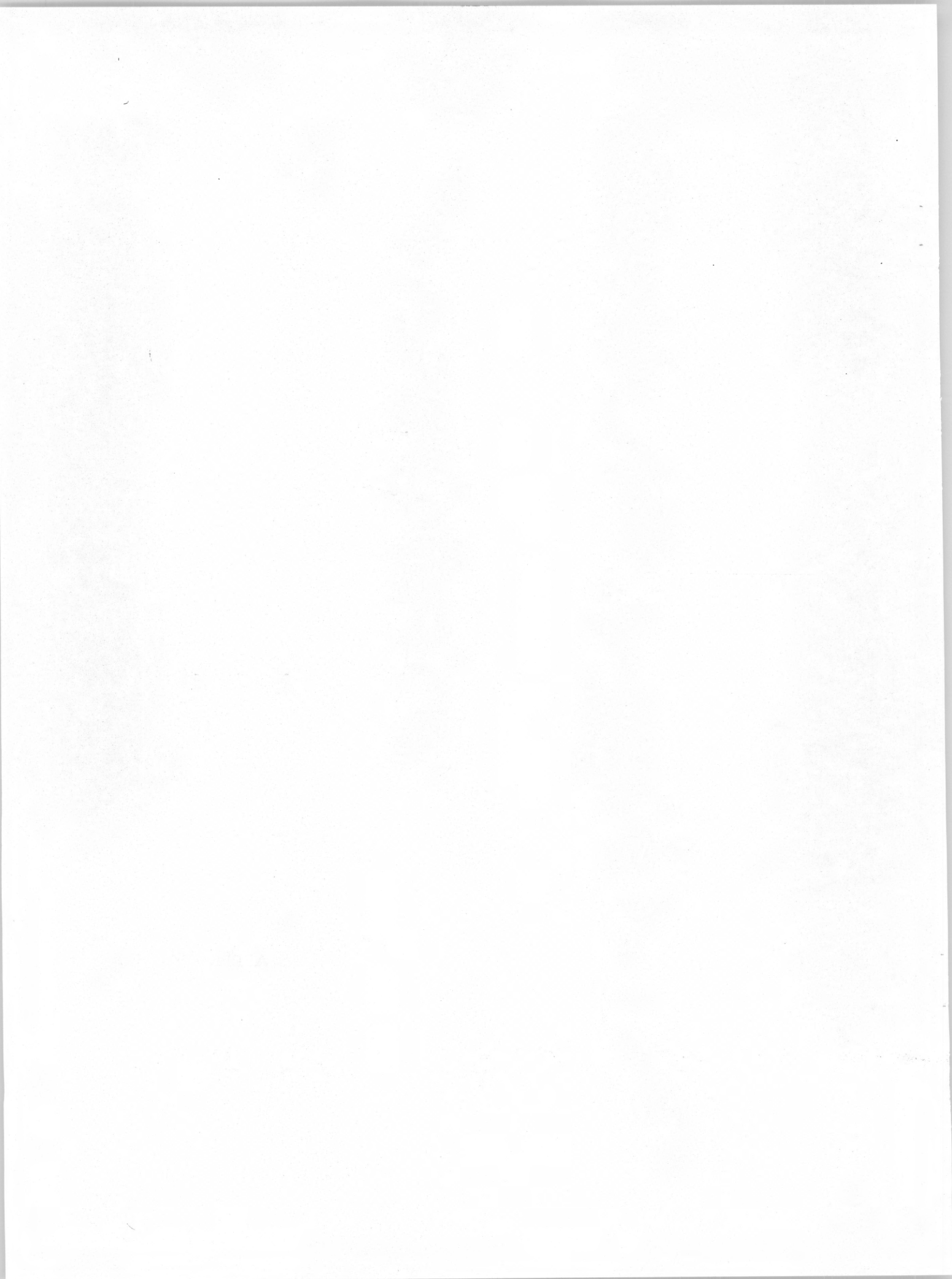
UNIDENTIFIED SPEAKER FROM AUDIENCE: Ed has left.

ASSEMBLYMAN ZIMMER: Oh, Ed has left, and Dick Kamin has left. Is Dick coming back? (negative response)

All right, then I declare the hearing adjourned. Thank you very much.

(HEARING CONCLUDED)

APPENDIX



BRADLEY
W JERSEY

United States Senate
WASHINGTON, DC 20510

COMMITTEES:
FINANCE
ENERGY AND
NATURAL RESOURCES
SELECT COMMITTEE
ON INTELLIGENCE
SPECIAL COMMITTEE ON
AGING

April 9, 1987

Mr. Gregg Rackin
Chapter and Field Coordinator
American Jewish Congress-NJ
44 Glenwood Avenue
East Orange, New Jersey 07017

Dear Mr. Rackin:

Thank you for contacting me regarding the Federal Tax
Limitation/Balanced Budget Amendment.

As you may know, this legislation requires that
Congress adopt an annual budget statement that specifies the
amount of expected revenue and expenditures. Expenditures
and revenues must balance, but specific excesses are allowed
by a 3/5 vote of Congress. Congress may waive the
application of this amendment in the event of war or
national emergency.

I opposed this amendment because I believed it would
lead to higher taxes, would cause a greater government inter-
ference in business, and would reduce Congress's ability to
deal effectively with future fiscal problems. I outlined
the reasons for my conclusion in a statement I made before
the Senate on March 25, 1986, a copy of which I have
enclosed for your review. The Balanced Budget Amendment was
defeated in the Senate on March 25, 1986, by a vote of
66-34, one vote short of the two-thirds necessary to approve
an amendment to the Constitution.

To effectively address the problem of the federal
deficit, I believe we must take urgent action to adopt
strong measures on many fronts. We must act to promote a
healthy "athletic" economy invigorated by competition in
every sector, eliminating inefficiencies, holding down
prices and demanding innovation. We must address those
areas of our economy which are hampering economic growth,
such as our system of agricultural price supports. Further-
more, federal spending must be reduced in those areas of the
federal budget where taxpayers are not receiving a proper
return on their dollar. I am pleased that the 99th Congress
enacted several of the recommendations made by the Grace Com-
mission, in whole or in part, and I will certainly be
fighting for the adoption of their budget-cutting measures

/X

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in the next Congress. Finally, we must reconsider how our various governmental programs can be administered most efficiently.

First, we must more vigorously attack wasteful and even counter-productive government spending programs. Two areas I believe deserve far greater attention are agricultural price supports and wasteful defense spending.

Under the present agricultural price support system, the federal government maintains a minimum support price for various commodities by purchasing and storing quantities when there is insufficient consumer demand. The cost of these programs has grown astronomically in recent years - from \$4 billion in 1981 to an estimated \$30 billion in 1986. This is a 750% increase in just five years. These price supports, coupled with the strength of the dollar abroad, have made American farm products too expensive for foreign markets, causing a drastic decline in American food exports. Yet, with a guarantee of higher minimum prices next year, farmers have been encouraged to increase production. As a result, the federal government has had to buy and store larger shares of these bumper crops in order to maintain the mandated prices.

In short, the program has been increasingly expensive for both the taxpayer and the consumer. Worse still, many family farms are deeply in debt and face imminent bankruptcy. Clearly, our agricultural price support program needs to be changed. I believe we need to bring production more in line with demand, ensure a stable and adequate supply of agricultural products for American consumers, and, most importantly, reduce the cost of this program to the federal government.

Next, we have to stop throwing away money on wasteful defense spending. We simply cannot tolerate paying for new systems that don't work. And we can't tolerate the outrageous prices the government has been paying without question. Moreover, we must carefully examine the prices we pay for spare parts. It is outrageous that the Defense Department paid \$726.86 for a \$7.99 electric plug and \$44 for a \$.17 light bulb. In addition, we should require competitive bidding on most defense contracts. Today only 6% of the defense budget is subject to the competition of the free enterprise system. Clearly, much more of the

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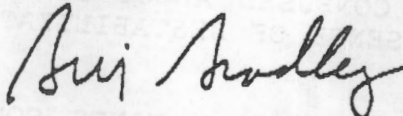
defense budget must be spent in a more competitive setting. If contractors competed to offer the lowest price, instead of the government asking a contractor how much money he wanted to be paid, we could save considerable amounts of money.

We should also seriously reevaluate which programs are best handled at the federal level, which at the state level, and which at the local level. We could then eliminate much of the bureaucracy and duplication. When programs are administered at every level, not only do we waste tax dollars in administering unnecessary programs, but also we create a bureaucratic maze which is a nightmare for the public. Government has important services to render, but we can no longer tolerate such waste and duplication. Finally, I believe that the enactment of a new lower-rate, broader-based tax system will stimulate the economy and help reduce the budget deficit over the long term.

In summary, I believe we must have the courage and good sense to reduce the federal deficit through national policies that promote a vibrant and truly competitive economy. These policies must challenge us as a nation to embrace strong measures to reduce inefficiencies and promote the general interest. That won't come from slogans like "balanced budget" amendments. It must come from decisive action by the President, by Congress, by states, localities and the American people.

Thanks again for taking the time to contact me on this critical issue. Please keep in touch in the future on issues of mutual concern.

Sincerely,



Bill Bradley
United States Senator

BB/rtz

Enclosure

REMARKS OF GOVERNOR THOMAS H. KEAN
AMERICAN JEWISH CONGRESS
NATIONAL DOMESTIC POLICY CONFERENCE
WASHINGTON, D.C.
SUNDAY, MARCH 8, 1987

THANK YOU, THANK YOU SO VERY, VERY MUCH FOR THOSE KIND WORDS OF INTRODUCTION. IT IS A PLEASURE AND AN HONOR FOR ME TO PARTICIPATE IN THIS SESSION OF YOUR CONFERENCE. PARTICULARLY BECAUSE IT PROVIDES THE OPPORTUNITY TO SPEAK ABOUT SOME LONG RANGE ISSUES WHICH CONFRONT OUR NATION AND OUR PEOPLE.

PERHAPS A STORY MIGHT SET THE STAGE FOR SUCH A DISCUSSION.

A PHYSICIAN, AN ENGINEER AND A POLITICIAN WERE HAVING AN ARGUMENT. THEY WERE TRYING TO DETERMINE WHICH OF THEM WAS THE OLDEST PROFESSION MENTIONED IN THE BIBLE.

THE DOCTOR SAID, "GOD TOOK A RIB FROM ADAM'S SIDE TO MAKE EVE. THAT WAS A SURGICAL PROCEDURE. OBVIOUSLY, MEDICINE IS THE FIRST PROFESSION MENTIONED IN THE BIBLE."

THE ENGINEER DISAGREED. HE SAID, "GOD MADE HEAVEN AND EARTH IN SIX DAYS. NOW, THAT WAS A FEAT OF ENGINEERING. AFTER ALL, ENGINEERING IS NOTHING MORE THAN MAKING ORDER OUT OF CHAOS. GOD CREATED THE WORLD FROM CHAOS. CLEARLY, HE WAS AN ENGINEER."

BOTH OF THEM LOOK AT THE POLITICIAN.

HE LOOKED BACK AT THEM AND SAID, "WHO DO YOU THINK CREATED THE CHAOS?"

NOW I DON'T MEAN TO SUGGEST THAT THINGS ARE PRESENTLY IN A STATE OF CHAOS. FAR FROM IT. BUT I THINK YOU'LL AGREE WITH ME THAT SOMETHING IN OUR GOVERNMENT'S SYSTEM OF OPERATION IS NOT QUITE RIGHT.

MANY IN OUR SOCIETY HAVE DOUBTS ABOUT OUR POLICY DIRECTION. MANY ARE CONFUSED ABOUT OUR GOALS. THERE'S WHAT I WOULD CALL A CERTAIN SENSE OF DESTABILIZATION, A CERTAIN LACK OF CLARITY.

I BELIEVE THAT THE COUNTRY WANTS SOME STABILITY, IT WANTS TO ORDER ITS VALUES AND PRIORITIES. IN OTHER WORDS, THE COUNTRY WANTS SOME ENGINEERING.

THERE ARE MANY ISSUES WHICH WE COULD DISCUSS IN THIS CONTEXT.

SOME ISSUES ARE GLOBAL LIKE SUPER POWER RELATIONS OR INTERNATIONAL TERRORISM. BUT AS I UNDERSTAND IT, THIS CONFERENCE DESIRES TO FOCUS ONLY ON DOMESTIC ISSUES. AND THAT IS WHAT I INTEND TO DO TONIGHT.

IN ONE SENSE THE DOMESTIC AGENDA IS A MILE LONG. WE COULD SPEND THE ENTIRE EVENING JUST NAMING ITS ELEMENTS.

IN ANOTHER SENSE, THE LIST SORT OF SEPARATES INTO TWO COMPONENTS. THERE ARE THE HARD OR TECHNICAL ISSUES LIKE ROADS AND BRIDGES, THE ENVIRONMENT OR SPACE EXPLORATION.

AND THERE ARE THE PEOPLE ISSUES LIKE THE HOMELESS OR EDUCATION OR DRUG ABUSE. AND, OF COURSE, THEY OVERLAP EACH OTHER. EACH OF THEM BY ITSELF IS CRITICAL AND IMPORTANT AND EACH, IN ITS OWN WAY, LITERALLY CLAMORS FOR THE ATTENTION OF OUR POLITICAL PROCESS.

YET SOMETHING SEEMS WRONG WITH THE DELIVERY SYSTEM. IT IS AS IF A KIND OF FEDERAL INSUFFICIENCY CANNOT BRING THESE THINGS TO RESOLUTION.

I BELIEVE THAT THE TENSION WHICH HAS FRUSTRATED THE FULFILLMENT OF POLICY GOALS CAN BE EXPLAINED.

FOR 20 YEARS, OUR NATIONAL GOVERNMENT HAS BEEN RUNNING ON A GROWING FISCAL IMBALANCE. AND BY THAT I MEAN THE FEDERAL DEFICIT. AND THAT IMBALANCE IS THE ORIGIN OF THE CONFLICT BETWEEN THE AMOUNT AND TYPE OF GOVERNMENT WE WANT AND THE MEANS WE PUT IN PLACE TO PAY FOR IT.

I AM NOT USING THE WORD CONFLICT LIGHTLY. THE CONTINUING DEFICIT HAS REALLY UNDERMINED WHAT IS NORMALLY THE MOST BASIC TASK OF GOVERNMENT. AND THAT TASK IS TO BUILD THE CONSENSUS WHICH WILL BALANCE THE APPROPRIATE SIZE AND FUNCTIONS OF GOVERNMENT ON ONE HAND AND THE FINANCING OF THAT GOVERNMENT ON THE OTHER HAND.

NOW, IT IS TRUE, THAT THERE ARE CERTAIN FUNCTIONS WHICH CAN AND SHOULD BE PERFORMED BY THE STATES. EDUCATION IS A PRIME EXAMPLE. PARTICULARLY SINCE FEDERAL FUNDING HAS BECOME SO VERY TIGHT. IN THE PAST FEW YEARS IN NEW JERSEY WE HAVE BEEN REBUILDING OUR SCHOOLS FROM THE GROUND UP.

WE ARE RAISING STANDARDS FOR STUDENTS AND TEACHERS. WE'RE PAYING TEACHERS A LIVING WAGE. AND WE'RE DOING SOMETHING VERY IMPORTANT: WE ARE LETTING TALENTED PEOPLE FROM ALL DISCIPLINES INTO OUR CLASSROOM WITHOUT AN EDUCATION DEGREE, AS LONG AS THEY PROVE THEY CAN TEACH.

ENVIRONMENTAL CONCERN IS ANOTHER AREA OF STATE ACTIVIVISM.

THE FEDERAL GOVERNMENT WON'T ALLOW NEW CONSTRUCTION IN 100 NEW JERSEY TOWNS UNTIL THEY BUILD NEW SEWAGE TREATMENT PLANTS. THEY WON'T PROVIDE THE MONEY -- THE CLEAN WATER ACT WON'T BEGIN TO MEET THE NEED. SO WE HAVE TO BUILD THEM OURSELVES. WE HAVE SET UP A STATE REVOLVING LOAN FUND TO RECYCLE THE MONEY AND BUILD THEM CHEAPER.

WE KNOW THERE ARE NO SPARE PEOPLE IN NEW JERSEY. WE ARE REFORMING OUR WELFARE SYSTEM. WE REQUIRE RECIPIENTS TO WORK OR GO TO SCHOOL. WE PROVIDE HEALTH CARE, TRANSPORTATION AND DAY CARE IN RETURN. WE HAVE COMMITTED OURSELVES TO BREAK THE GENERATION AFTER GENERATION CYCLE OF WELFARE IN AS MANY CASES AS POSSIBLE.

THERE ARE MANY STATE RESPONSIBILITIES, BUT THAT DOES NOT EXCUSE THE FEDERAL GOVERNMENT FROM ITS ROLE. PROBLEMS LIKE ACID RAIN OR AIR TRAFFIC CONTROL CROSS STATE BORDERS.

AND THERE IS THE ISSUE OF EQUITY. NOT ALL STATES CAN OR WILL INVEST IN EDUCATION OR WELFARE REFORM. CAN WE REALLY AFFORD TO HAVE OUR COUNTRY POCKMARKED WITH POVERTY AND IGNORANCE?

THE POINT IS THAT STATES HAVE PHYSICAL LIMITS TO THEIR RESOURCES, PARTICULARLY SINCE WASHINGTON COLLECTS THE BULK OF THE TAXES. CLEARLY, THERE IS A FEDERAL ROLE.

BUT THE FEDERAL DOMESTIC AGENDA REQUIRES A NATIONAL ORDERING OF PRIORITIES. AND I'M AFRAID TO SAY, THAT PROCESS WILL NOT BE SUCCESSFUL AS LONG AS OUR NATION'S FINANCES ARE A MESS.

NOW, I AM NOT AN ECONOMIST, BUT I RESPECT THOSE PRACTITIONERS OF WHAT THOMAS CARLYLE CALLED "THE DISMAL SCIENCE". AND I SUSPECT THAT POLITICAL ECONOMICS WILL BE THE CENTER OF ANY DEBATE ADDRESSING THE NATIONAL DOMESTIC AGENDA IN THE COMING YEARS.

IN MY VIEW, WE ARE HEADED FOR A MAJOR CONFRONTATION WITH ECONOMIC FORCES THAT ARE ACTING TO OUR DETRIMENT. I'M SPECIFICALLY REFERRING TO THE MASSIVE ACCUMULATION OF DEBT IN OUR SOCIETY AND TO THE FISCAL IMBALANCE WHICH IS A DAILY OCCURRENCE WITH OUR FEDERAL GOVERNMENT.

THE DEFICITS THAT WE RUN ARE UNACCEPTABLE. THEY HAVE BECOME A RECURRING PATTERN FOR TWENTY YEARS. AND THEY HAVE GROWN WORSE AND WORSE AND WORSE.

TWO HUNDRED BILLION DOLLAR DEFICITS HAVE BECOME COMMONPLACE. THE NUMBERS ARE SO LARGE AS TO BE INCOMPREHENSIBLE. THEY ONLY MAKE SENSE IN A MACRO-ECONOMIC FRAMEWORK AND WE, THE NON-ECONOMISTS, HAVE BECOME COMPLACENT ABOUT THE WARNINGS WE ARE GETTING FROM THOSE FEW PROFESSIONALS WHO FATHOM THIS PROCESS.

OUR ECONOMY IS PRECARIOUSLY BALANCED. LET ME TRY AND DESCRIBE IT.

IMAGINE A GIGANTIC SEE-SAW. AT ONE END IS THE FEDERAL DEFICIT OF ABOUT \$175 BILLION FOR THIS FISCAL YEAR. AT THE OTHER END IS THE TRADE DEFICIT OF ABOUT AN EQUAL AMOUNT.

THE FIRST OF THESE TWIN DEFICITS IS EXPANSIONARY. IT'S CLASSIC, KEYNESIAN, FISCAL STIMULATION AT WORK.

THE OTHER DEFICIT, IN TRADE, IS CONTRACTIONARY. THE TWO SEEM TO BE OFFSETTING EACH OTHER, BUT NOT IN A DIRECT MANNER. THE FIRST ONE STIMULATES CERTAIN SECTORS OF THE AMERICAN ECONOMY, LIKE SERVICES. AND THEY RESPOND TO THAT STIMULUS AND GROW AS THEY HAVE IN THE LAST FOUR YEARS.

THE TRADE DEFICIT IS A NEGATIVE. IT CAUSES CERTAIN SECTORS TO DECLINE. MANUFACTURING IS JUST SUCH AN EXAMPLE.

THE AMOUNTS BALANCING EACH END OF THAT SEE-SAW HAVE BECOME ENORMOUS. AND WHILE THE FULCRUM IS CURRENTLY IN THE MIDDLE, MY FEAR IS THAT ANY DISTURBANCE ON EITHER END COULD BRING ABOUT A RESOUNDING CRASH.

THE SEE-SAW IS REALLY MORE COMPLICATED BECAUSE, IN FACT, IT HAS NOT TWO ENDS, BUT FOUR. PICTURE, IF YOU WILL, A SECOND SEE-SAW ON TOP OF THE FIRST. ONE RUNS NORTH-SOUTH AND THE SECOND ONE EAST AND WEST.

THE FIRST IS UNSTEADILY PERCHED WITH THE TWIN DEFICITS AT EITHER END. BUT THE SECOND ONE MAKES THINGS MORE UNSTABLE. LET'S LOOK AT IT.

ON ONE END OF SEE-SAW NUMBER TWO IS THE ACTIVITY INVOLVING THE FEDERAL RESERVE. WE KNOW ABOUT THE PROBLEMS IN OUR BANKS. THE STATISTICS ARE FRIGHTENING. WE HAD MORE BANK FAILURES IN THE UNITED STATES LAST YEAR THAN IN ANY YEAR SINCE THE GREAT DEPRESSION.

THERE ARE REPEATED QUESTIONS ABOUT THE SOUNDNESS OF FEDERAL DEPOSIT INSURANCE. SOME EXPERTS SUGGEST THAT THE FED IS TRYING TO PAPER OVER THE PROBLEM WITH EXCESSIVE MONEY CREATION. THE RECENT DECLINE OF THE DOLLAR AGAINST OTHER WORLD CURRENCIES SEEMS TO SUPPORT THAT VIEW.

THE OTHER END OF THAT MONETARY SEE-SAW IS OUR DEPENDENCY ON DEBT. THE WORST CULPRIT -- THE FEDERAL GOVERNMENT -- ADDS A HALF A BILLION A DAY TO ITS DEBT.

BUT THE WHOLE COUNTRY IS FOLLOWING THAT TREND. ALL TYPES OF DEBT ARE RISING, WHETHER THEY ARE BUSINESSES, INDIVIDUALS OR GOVERNMENT.

IT WOULD BE ONE THING IF THAT DEBT WERE INCURRED FOR THE PURPOSE OF PRODUCTIVE INVESTMENT. THEN, WE WOULD SEE A COMMENSURATE RISE IN OUR INCOME AS A RESULT. BUT INSTEAD THAT DEBT IS BEING PILED UP, AND THE MONEY IS SPENT MAINLY ON CONSUMPTION.

THE RESULT OF THIS ACTION IS CLEAR: THE RATIO OF DEBT TO THE INCOME WHICH MUST SERVICE IT, HAS REACHED THE HIGHEST LEVELS SINCE THE GREAT DEPRESSION.

ONE ADDITIONAL FACT. FOR 70 YEARS THE UNITED STATES WAS A NET CREDITOR IN THE WORLD. IN JUST TWO YEARS WE HAVE BECOME THE WORLD'S LARGEST NET DEBTOR, SURPASSING MEXICO, BRAZIL, OR ANY OTHER COUNTRY.

AT THE PRESENT TIME WE ARE BORROWING NEARLY \$3 BILLION DOLLARS EACH WEEK FROM OVERSEAS INVESTORS IN ORDER TO FINANCE OUR INTERNATIONAL DEFICIT. BY THE END OF THIS DECADE, IT IS ESTIMATED THAT AMERICA WILL HAVE A NET FOREIGN DEBT OF ABOUT \$7 HUNDRED BILLION DOLLARS.

WE ARE MORTGAGING OUR CHILDREN'S FUTURE TO SERVICE THAT DEBT. THEIR PRODUCTIVITY WILL HAVE TO PAY IT BACK, OR PAY THE INTEREST ON IT, BECAUSE WE DON'T OWE THAT PORTION OF THE DEBT TO OURSELVES. WE OWE IT ABROAD.

I'M WORRIED ABOUT THE ECONOMIC ISSUES. I'M WORRIED BECAUSE THEY ARE UNPRECEDENTED IN SIZE AND IN SCOPE. AND NONE OF US -- NO ECONOMIST, NO POLITICAL FIGURE, NO GOVERNMENTAL LEADER -- CAN ACCURATELY PREDICT THE OUTCOME IF EXISTING TRENDS PERSIST.

THE ISSUE OF THE FEDERAL DEFICIT INFLUENCES THE ENTIRE DOMESTIC POLICY AGENDA. IT MUST GET RESOLVED, BUT WE HAVE TO WATCH HOW WE DO IT.

WE CANNOT JUST RESORT TO SOME ARBITRARY AND MANDATORY SCHEME LIKE GRAMM-RUDMAN. THAT DOESN'T WORK, IT HASN'T WORKED AND IT WON'T WORK.

SOME ARE SUGGESTING A CONSTITUTIONAL CONVENTION. I HAVE MY DOUBTS ABOUT THAT. I DO NOT BELIEVE THAT THE WAY TO SOLVE THE PROBLEM OF THE DEFICIT IS TO OPEN UP FOR AMENDMENT THE ENTIRE CONSTITUTION OF THE UNITED STATES.

IF ANYTHING, WE MUST NOW BE MORE VIGILANT ABOUT THE CONSTITUTION THAN EVER BEFORE. BECAUSE THE PRESSURE FROM THE DEFICIT MAY LEAD TO THE LEGISLATION OF POLITICAL EXPEDIENCE WHICH MAY THREATEN OUR INDIVIDUAL FREEDOM -- AND I AM PARTICULARLY CONCERNED ABOUT ANY POSSIBLE AMENDMENTS TO THE BILL OF RIGHTS.

THE DOMESTIC AGENDA IS ABOUT PROTECTING INDIVIDUAL FREEDOM. THE CONSTITUTION REMAINS OUR ONLY DEFENSE.

NO, WE DON'T SOLVE THIS PROBLEM WITH A CONSTITUTIONAL CONVENTION.

PAYING FOR GOVERNMENT SERVICES AND ESTABLISHING THE PRIORITIES OF THOSE SERVICES SHOULD BE DONE THROUGH THE GENUINE MECHANICS OF A RESPONSIBLE CONGRESS AND A RESPONSIBLE ADMINISTRATION WORKING TOGETHER TO SOLVE THE PROBLEM.

THERE ARE SOME TOOLS WE COULD PUT IN PLACE TO ASSIST THIS PROCESS. ONE IS A CONSTITUTIONAL AMENDMENT, CALLING FOR A BALANCED BUDGET, WITH APPROPRIATE SAFEGUARDS TO PROVIDE FOR DEBT ISSUANCE IN NATIONAL EMERGENCIES. BUT SUCH AN AMENDMENT MUST COME THROUGH THE LEGISLATIVE PROCESS, JUST LIKE THOSE WHICH PRECEDED IT.

I BELIEVE THAT THE PRESIDENT SHOULD HAVE A LINE ITEM VETO POWER AND CONGRESS COULD HAVE THE SAFETY MEASURE OF OVERRIDING WITH A SUPER-MAJORITY. IN THE PAST FIVE YEARS I'VE USED A LINE ITEM VETO TO REMOVE NEARLY TWO BILLION DOLLARS OF SPENDING THAT THE STATE SIMPLY COULD NOT AFFORD.

THE PRESIDENT SHOULD ALSO HAVE A CONDITIONAL VETO. I USE IT TO STRIKE PARTS OF LEGISLATION, OFTEN BECAUSE OF FISCAL IMPLICATIONS.

THERE ARE OTHER OPTIONS. WE COULD RAISE TAXES, BUT THAT IS SOMETHING WE SHOULD DO ONLY AS A LAST RESORT AND WITH CONSIDERABLE CARE. WE MUST ENCOURAGE NOT JEOPARDIZE ECONOMIC GROWTH. IF THE UNEMPLOYMENT RATE IN THE WHOLE COUNTRY WERE THE SAME AS IT IS IN NEW JERSEY RIGHT NOW -- 3.6 PERCENT -- THE DEFICIT WOULD BE HALF WHAT IT IS.

ENCOURAGING ECONOMIC GROWTH MUST BE A VITAL PART OF REDUCING THE DEFICIT.

WE COULD INSTITUTE A REALISTIC FORM OF CAPITAL BUDGETING -- IN NEW JERSEY WE SEPARATE MOST CAPITAL EXPENDITURES FROM THE GENERAL BUDGET, JUST LIKE MOST BUSINESSES. THE FEDERAL GOVERNMENT COULD DO THE SAME.

IF NECESSARY, WE COULD CONVENE A BI-PARTISAN ECONOMIC SUMMIT. SOME PEOPLE LAUGH AT THAT IDEA. BUT WE DID IT WITH SOCIAL SECURITY AND IT WORKED. THE ISSUE IS NOT WHAT TO DO. INSTEAD IT IS THE MEANS TO IMPLEMENT THE SOLUTIONS.

HOW ARE WE GOING TO GET THESE NEEDED CHANGES INTO THE SYSTEM? AND HOW ARE WE GOING TO ESTABLISH A DOMESTIC AGENDA WHICH REQUIRES FEDERAL FUNDING AND IN WHICH WE MUST REACH POLITICAL CONSENSUS TO ESTABLISH PRIORITIES?

THESE QUESTIONS ARE THE CUTTING EDGE OF PRESENT-DAY POLITICS. FEDERAL ECONOMICS IS THE AREA WHERE BOTH POLITICAL PARTIES MUST CONFRONT THEIR FUTURE. GEORGE WILL IS RIGHT WHEN HE SAYS, "ONCE THE DEFICIT STARTS TO WREAK HAVOC, THERE WON'T BE AN INCUMBENT LEFT IN OFFICE."

THE POLITICAL PROCESS CANNOT CONTINUE TO APPEAL TO THE INSTINCTS OF GREED AND INSTANT GRATIFICATION. POLITICAL LEADERS MUST BE WILLING TO PICK UP THEIR HEADS AND LOOK BEYOND THE NEXT DAY. IF I MAY BE BLUNT, IT REQUIRES POLITICIANS WHO ARE WILLING TO LOOK BEYOND THE NEXT ELECTION.

PEOPLE ARE BEGINNING TO REALIZE THAT THE DEFICIT IS DIRECTLY EFFECTING THEM. THEY ARE GRADUALLY GAINING AN UNDERSTANDING OF THIS ISSUE.

THAT MEANS POLITICAL SUCCESS WILL BE ACHIEVED BY THOSE WHO CAN CONVEY THE LINK BETWEEN FISCAL IMBALANCE AND DOMESTIC FAILURE. AND THAT SUCCESS WILL PROVIDE THE POLITICAL SUPPORT REQUIRED TO PUT THE CORRECTIVE TOOLS IN PLACE.

BUT THE POLITICS MUST BE PROACTIVE AND BASED ON PRINCIPLE, NOT REACTIVE TO THE CRISIS OF THE MOMENT. THEY MUST BE DERIVED FROM A SET OF ETHICS, NOT JUST A LEGISLATED AMALGAM OF POLITICAL EXPEDIENCE.

THE REPUBLICAN PARTY HAS ITS ROOTS IN THE WISDOM OF A GREAT AMERICAN. HIS WORDS ARE STILL APPLICABLE. WE ARE STILL A NEW NATION CONCEIVED IN LIBERTY. AND WE ARE STILL DEDICATED TO THE PROPOSITION THAT ALL MEN ARE CREATED EQUAL. I BELIEVE THAT THE POLITICS OF LINCOLN ARE STILL VALID AND SHOULD BE GUIDING PRINCIPLES FOR MY POLITICAL COLLEAGUES.

YET, I RESPECT AS WELL THE PATRIARCH OF THE OTHER POLITICAL PARTY. AND I WOULD HOPE THAT OUR COUNTRY'S FUTURE LIES IN THE BLENDING OF HIS WISDOM WITH LINCOLN'S. JEFFERSON SUMMARIZED THE ETHICS SO COLORFULLY WHEN HE SAID THAT "THE CARE OF HUMAN LIFE AND HAPPINESS AND NOT THEIR DESTRUCTION, IS THE FIRST AND ONLY LEGITIMATE OBJECT OF GOOD GOVERNMENT".

THIS YEAR WE CELEBRATE OUR CONSTITUTION'S 200TH BIRTHDAY. AND, FOLLOWING THAT, WE WILL COMMENCE THE THIRD CENTURY OF MANKIND'S FIRST EXPERIMENT WITH A FEDERAL DEMOCRACY. JEFFERSON'S DEFINITION OF GOOD GOVERNMENT MUST ALWAYS REMAIN CLEARLY IN FOCUS.

I BELIEVE THAT WE CAN CURE OUR FISCAL MESS. IT WILL TAKE HARD WORK, BUT IT CAN BE DONE. AND WHEN WE DO, WE CAN DELIVER A BETTER QUALITY OF LIFE FOR ALL OF OUR CITIZENS; THAT IS HOW I SEE THE DOMESTIC AGENDA FOR 1988 AND BEYOND.

10x

Figure 1. Federal deficits since 1980

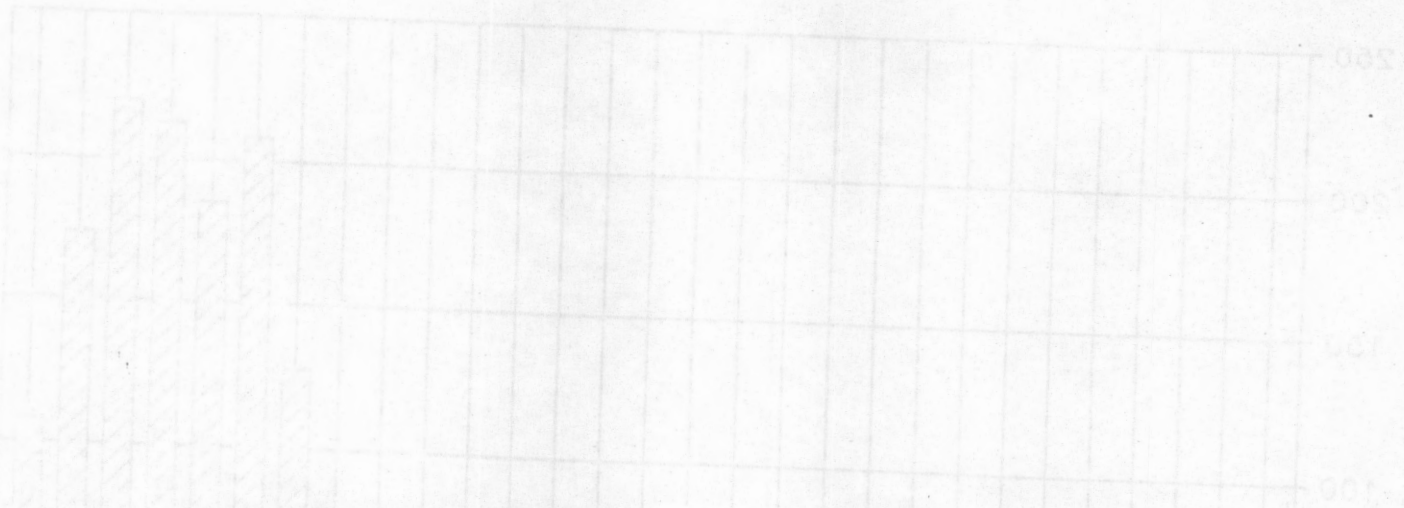
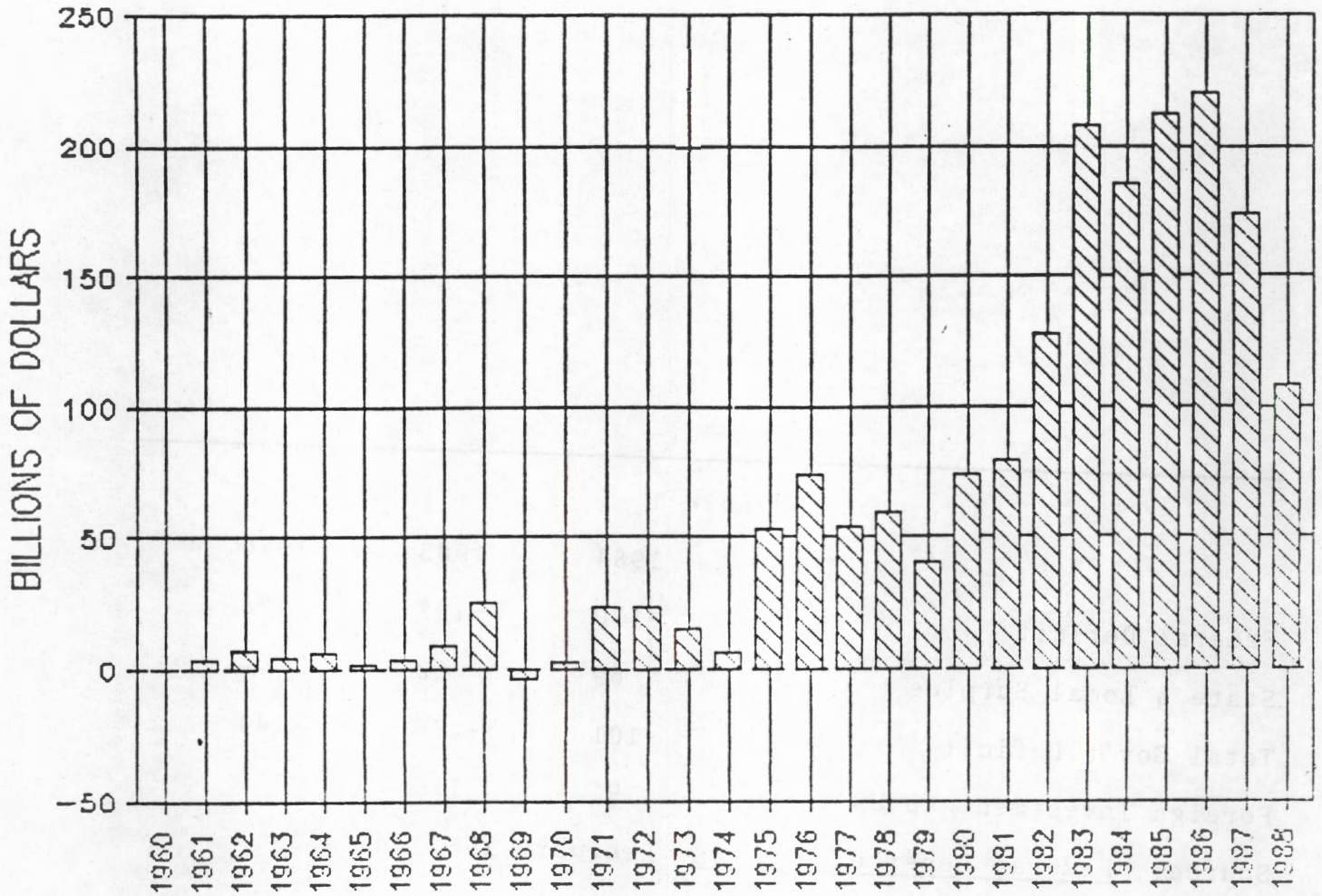


Table 1

	1983	1984	1985	1986
Federal Deficit	-176	-170	-198	-208
State & Local Surplus	48	69	62	64
Total Gov't Deficit	-128	-101	-136	-144
Foreign Investment in US	34	91	115	140

Source: Federal Reserve Bulliten, February 1987, p. A52

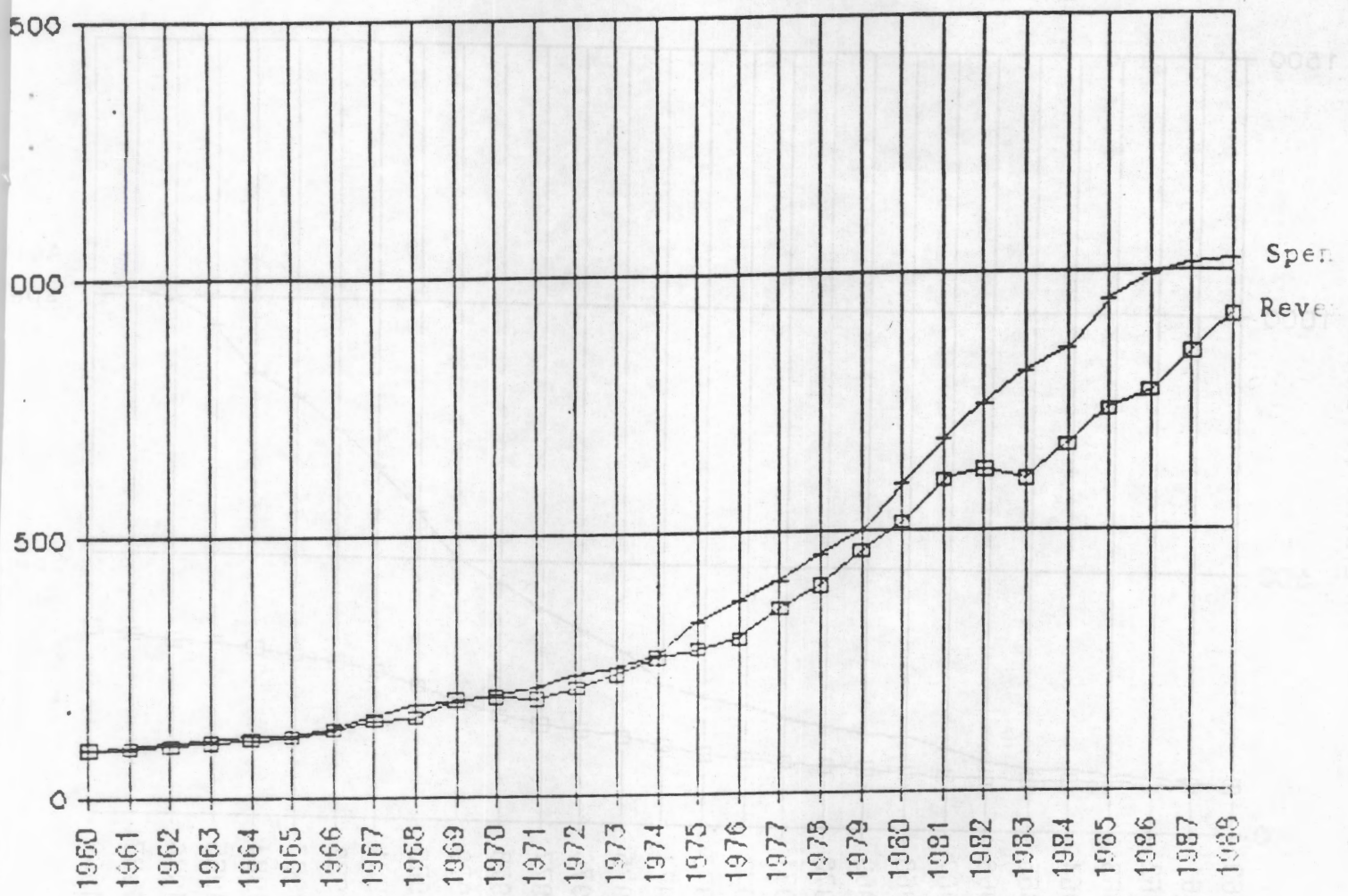
Figure 1: Federal deficits since 1960.



Source: Budget of the United States Government, FY1988;
Historical Tables

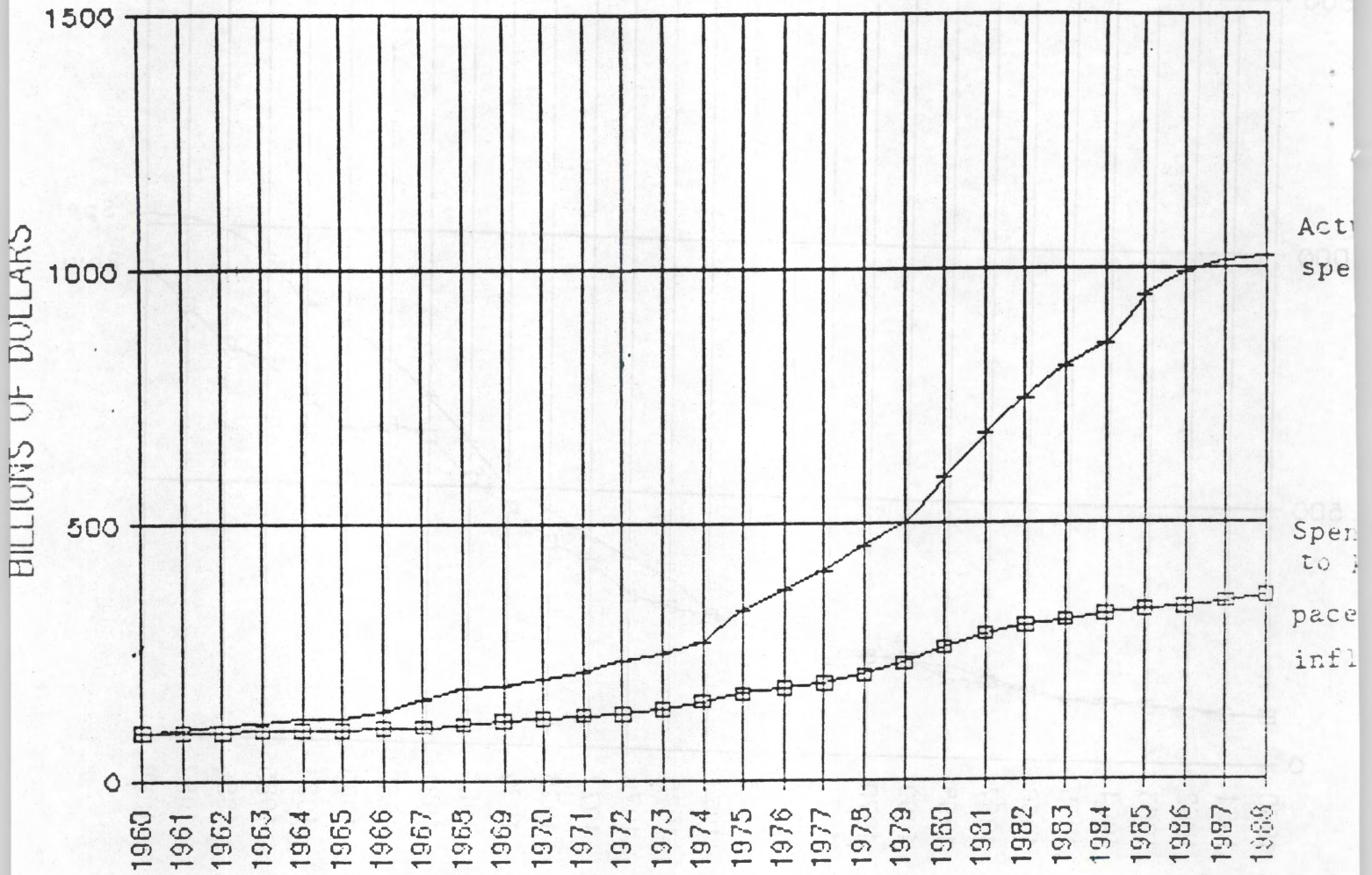
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Figure 2: Government spending and revenues since 1960.



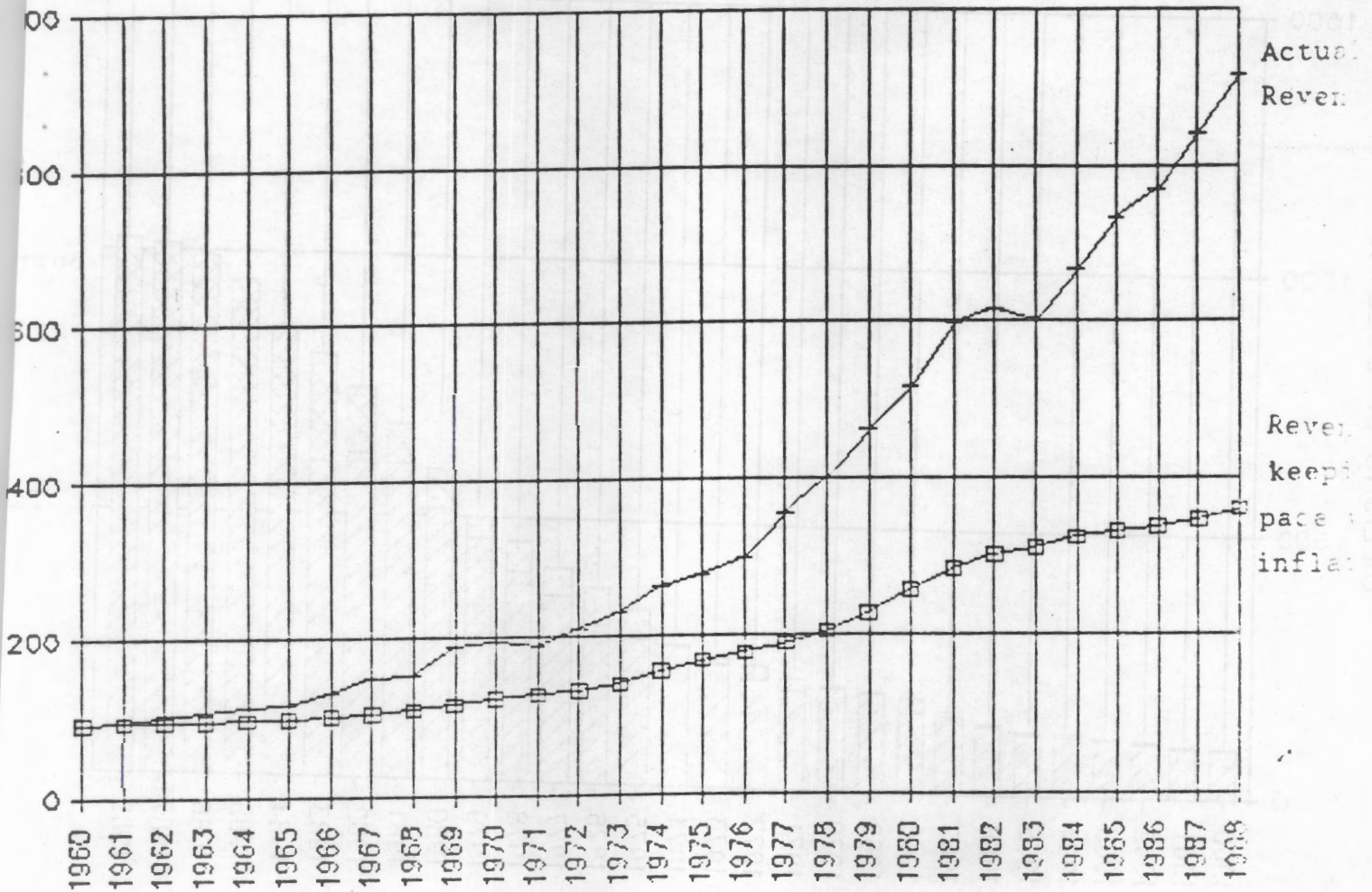
Source: Budget of the United States Government, FY1988; Historical Tables

Figure 3: Actual government spending compared to amount needed to keep pace with inflation.



Source: Budget of the United States Government, FY1988; Historical Tables

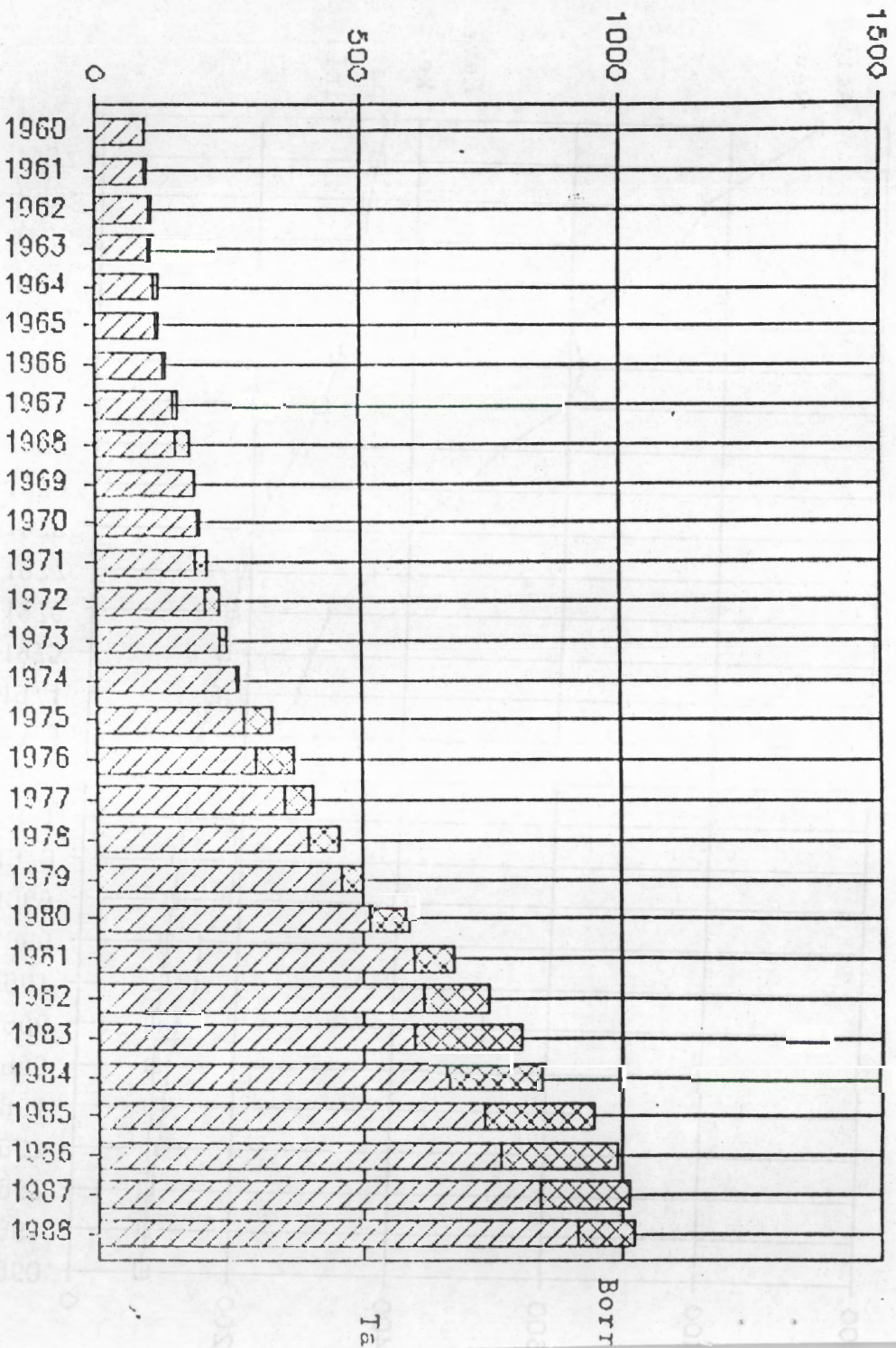
Figure 4: Growth of government revenues compared to amount needed to keep pace with inflation.



Source: Budget of the United States Government, FY1988; Historical Tables

15x

BILLIONS OF DOLLARS

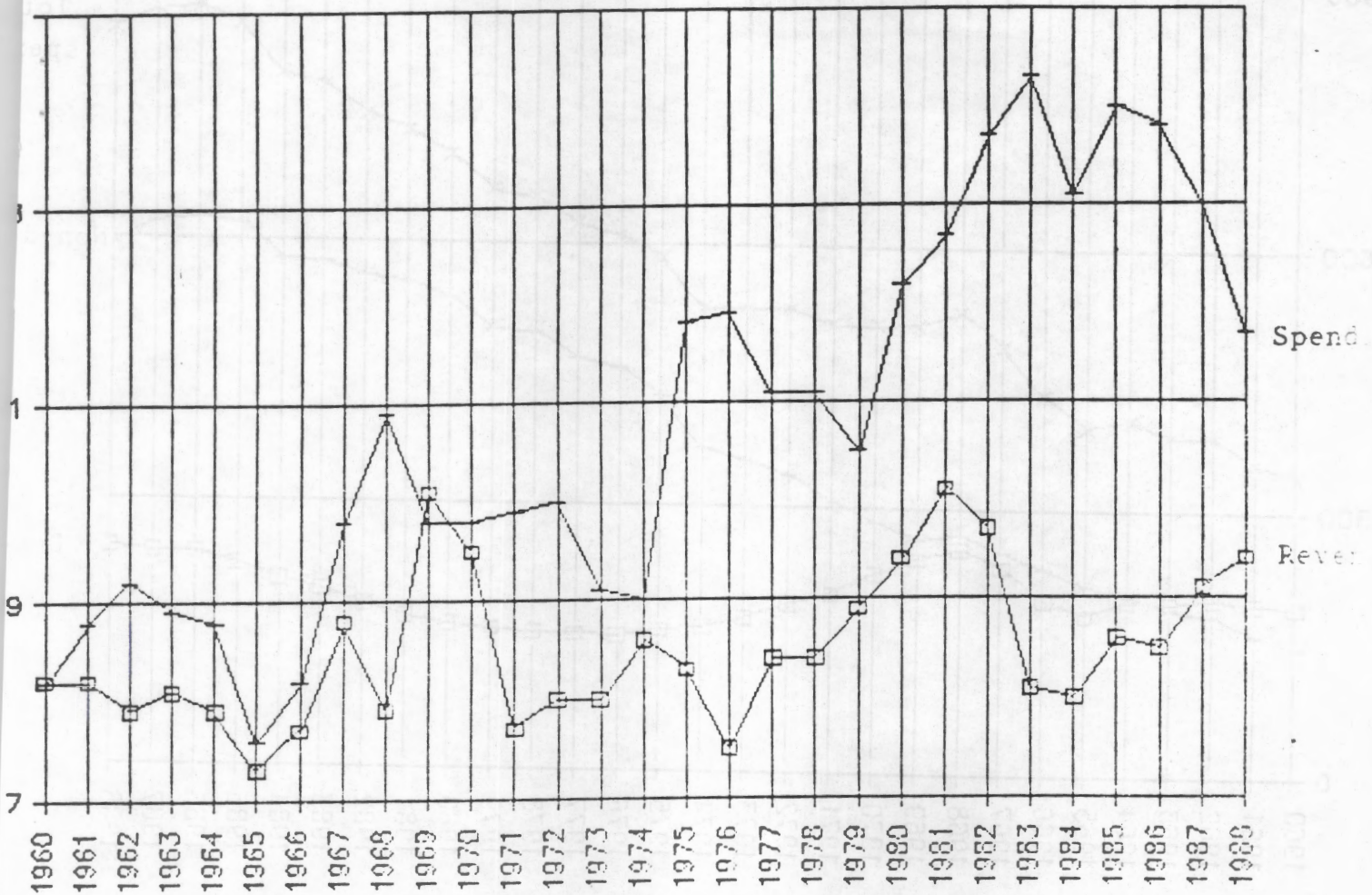


Source: Budget of the United States Government, FY1988; Historical Tables

Figure 5: Where government gets the money it spends.

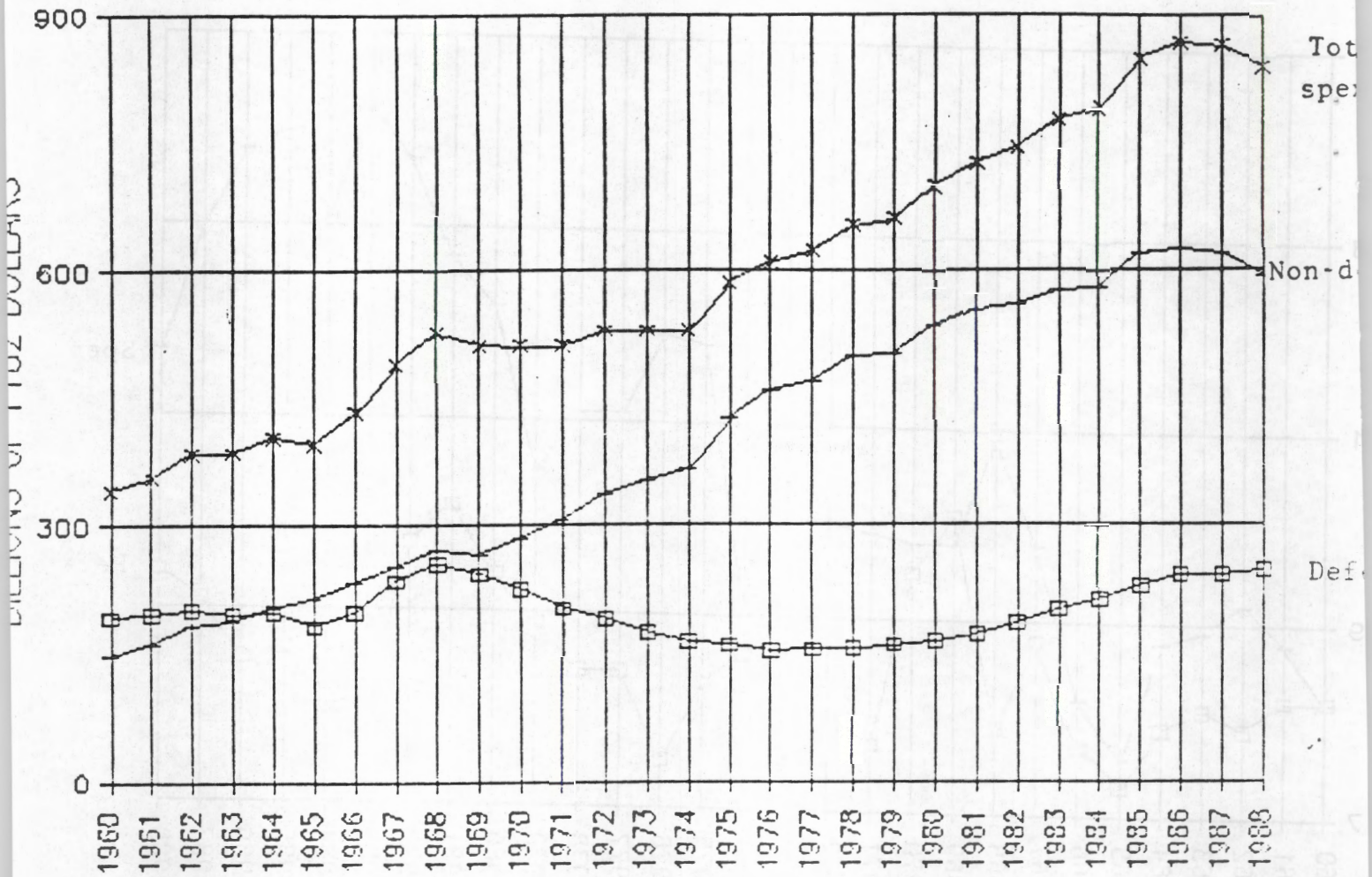
16x

Figure 6: Government spending and revenue as a percentage of GNP.



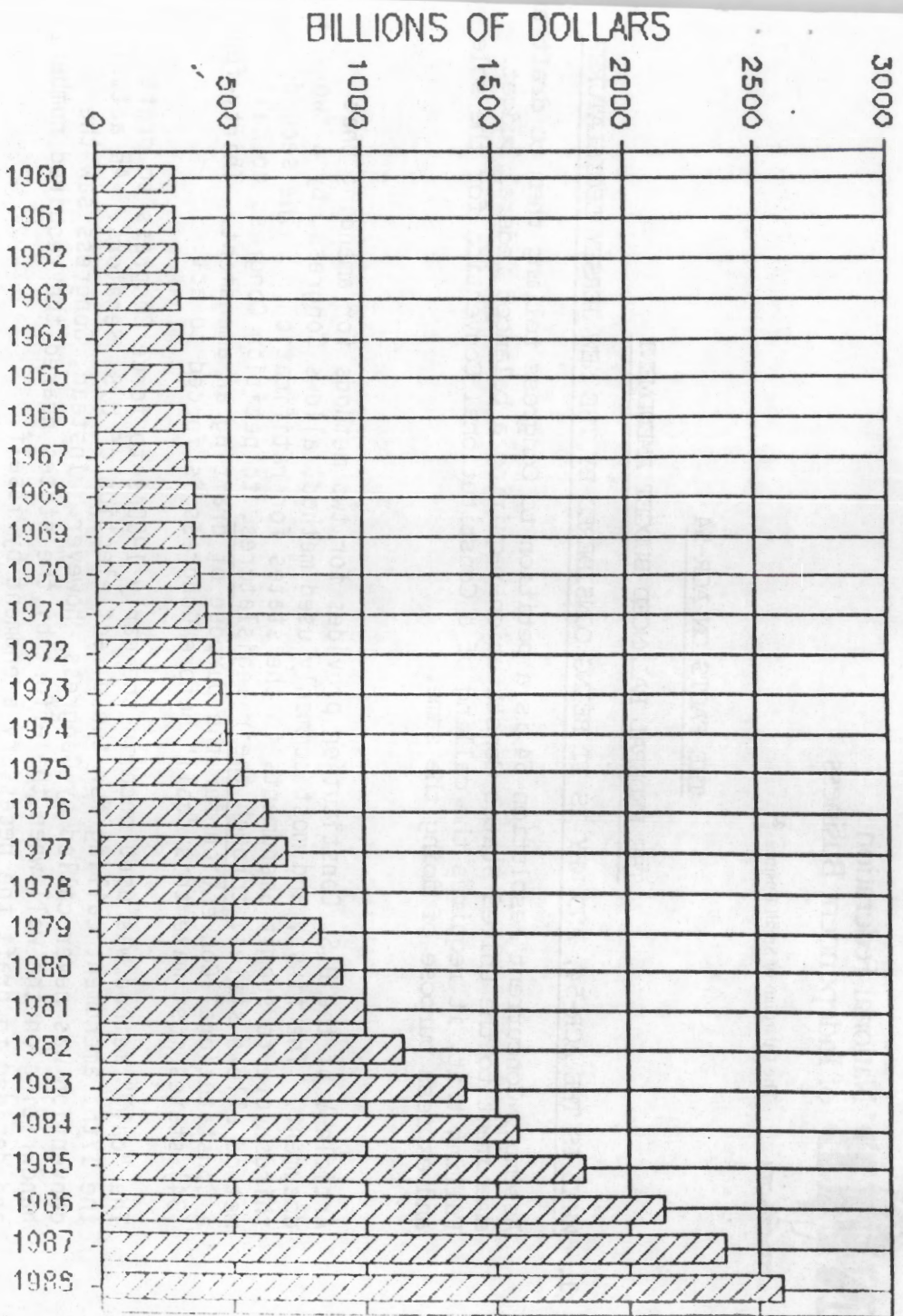
Source: Budget of the United States Government, FY1988;
Historical Tables

Figure 7: Total spending and components, adjusted for inflation.



Source: Budget of the United States Government, FY1988; Historical Tables

Figure 8: The national debt since 1960.



Source: Budget of the United States Government, FY1988;
Historical Tables



NFIB® National Federation
of Independent Business

The Guardian of Small Business®

THE FACTS ON ACR-54

THE FEDERAL BALANCED BUDGET AMENDMENT

1. WHAT IS THE ACR-54, AND WHY IS IT BEING CONSIDERED BY THE NEW JERSEY LEGISLATURE?

Assembly Concurrent Resolution 54 is a petition to Congress telling them to draft an amendment to the United States Constitution requiring a balanced federal budget. Failing that, it requires the calling of a Constitutional Convention for the sole and express purpose of doing the same.

Article V of the U.S. Constitution provides for two methods for amending that document. The first, and most commonly used method, allows Congress, by a two-thirds vote to submit amendments to the states for ratification. The second method allows states, through their legislatures, to petition Congress to call a Constitutional Convention for the purpose of drafting an amendment. Thirty-four (34) states must make this "call" before Congress is forced to act.

The "call" method was used once in the early 1900's to force Congress to draft the 17th. amendment calling for the direct election of U.S. Senators. An actual convention was never called by Congress, however. Instead, Congress saw the handwriting on the wall when the effort by the states neared the required number, and decided to draft the necessary amendment by itself.

2. WHAT ARE THE CHANCES OF A "RUNAWAY" CONVENTION?

Slim to none! The threat of a runaway convention is more of hoax than a reality! To begin with, there probably won't be a convention. History has shown us that Congress, faced with an option of either drafting an amendment without a convention or calling a convention for the same purpose, would rather act on its own initiative. Congress would rather live with an amendment which its own members drew up rather than one that was drafted by others and forced upon them.

Furthermore, if a convention were successfully held, it would weaken the powers of Congress. This is something few members want. They also don't want to see convention delegates elected from their home districts...delegates who might later decide to challenge the congressman for re-election.

3. ARE THERE SAFEGUARDS TO PREVENT A RUNAWAY CONVENTION IF ONE IS CALLED?

Yes! After a two-year study, a commission of the American Bar Association, which included the Dean of the Harvard Law School, concluded that a limited convention could be successfully held. A number of safeguards exist.

First, Congress can refuse to send any runaway amendment, (one which strays from the intent of the convention) to the states for ratification.

Secondly, leaders in the state legislatures that successfully petitioned Congress for a constitutional convention can institute court challenges to any proposals which go beyond the original limited convention call.

Thirdly, the greatest "check" against a runaway convention is the fact that nothing a convention proposed could become a part of the Constitution until it was ratified by 38 states. It is very unlikely that 38 states would ratify any controversial proposition. If there are even 13 state legislatures in the country that are not convinced that any amendment proposed by a convention represents an improvement of our Constitution, than the amendment would not be ratified.

WHY IS IT IMPORTANT TO SUPPORT A BALANCED BUDGET AMENDMENT?

The government's checking account is awash in a tidal wave of red ink! Annual deficits for the past few years have been hovering close to \$200 billion. The national debt - total annual deficits over the years - is approaching \$2 trillion!

The numbers are incomprehensible, but the problem is easy to understand. Massive government deficits lead to higher interest rates as the U.S. Treasury borrows to finance out-of-balance spending. Higher interest rates, which dampen the growth and health of the economy, can ultimately mean a return to a recession such as the one we just went through. Estimates made by some former members of the President's Council of Economic Advisors indicate that a \$50 billion cut in the deficit would bring the prime lending rate down by two to four points.

Lowering the interest rates encourages business investment, more construction and jobs, and a generally higher level of business activity.

CAN CONGRESS ACT ON ITS OWN TO ADDRESS THIS ISSUE?

They can, but they won't! Rather than hold a lid on spending, they have been moving in the opposite direction. In fact, the federal budget has had deficits in 19 of the last 20 years. It took more than 50 years of deficit spending to reach the trillion dollar mark. In only four years - from 1980 to 1984- we have added almost 50% to that total debt accumulated from the founding of the United States. The national dept currently is approaching \$2 Trillion. By 1986, interest payments alone on that national debt will be approximately \$180 billion!

Polling indicates that 71% of NFIB members in New Jersey feel Congress must act to balance its budget. Since Congress has refused to listen to the people, the only recourse is to use the tools provided for us by the founding fathers in Article V, and send a message to Washington. (16% opposed, 13% undecided)

NEW JERSEY GROUPS OPPOSED TO CONVENING OF NATIONAL CONSTITUTIONAL CONVENTION
SUITE 301, 44 GLENWOOD AVENUE, E. ORANGE, N.J. 07017 - (201) 678-4275

October 1986

AN OPEN LETTER TO THE NEW JERSEY LEGISLATURE CONCERNING THE CALL FOR
A FEDERAL CONSTITUTIONAL CONVENTION (ACR-54)

FROM 23 NEW JERSEY LAW SCHOOL DEANS AND PROFESSORS

As educators and members of a profession dedicated to a fair, open and deliberate process, we are pleased that the New Jersey Legislature, unlike 16 others that have voted on the matter, has held public hearings on the question of whether to call for a federal constitutional convention to propose a balanced budget amendment. We write to urge defeat of any such resolution because a constitutional convention is both unnecessary and dangerous to the very fabric of our constitutional system.

Article V of the United States Constitution provides two ways to amend the Constitution. Congress, by two-thirds vote of both houses, can propose an amendment, which becomes effective upon ratification by three-fourths of the states. All 26 amendments to our Constitution have been adopted by this method. Alternatively, Article V provides that when two-thirds of the states petition, Congress shall call a constitutional convention to propose amendments. Such amendments again are subject to ratification by three-fourths of the states. This method has never been used in our 200 year history.

The first method works; we have made the most basic changes in our country through this means -- from protecting religion through banning slavery. Indeed, the balanced budget amendment now at issue was presented to the Congress in 1982, but narrowly defeated in the House after being passed in the Senate. This year it was defeated in the Senate. If there were a groundswell of public demand for it -- which there clearly isn't, as only two states have voted to call for a convention on this issue in this decade -- it would have long since passed. In any case, Congress is available should such a groundswell develop.

Whatever the need for, or value of, a balanced budget amendment, however, a constitutional convention poses very significant dangers. Scholars are far from sure whether the Constitution even contemplates the calling of a convention for a single amendment. In any case, there is no way to assure that a convention, once called, would limit itself to the balanced budget amendment. Even the subject of "balanced budgets" is not confining. When the Senate considered this very constitutional amendment in 1982, numerous amendments involving federal taxes, the national debt and the like were proposed. More tellingly, a constitutional amendment on balanced budgets might discuss ways of balancing budgets by restricting federal appropriations for a wide variety of purposes. All of our most cherished protections - freedom of expression, equality of treatment, personal privacy - could be in jeopardy.

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Alfred W. Blumrosen
Thomas Cowan Professor of Law
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Wendy Gordon
Associate Professor of Law
Rutgers Law School - Newark

Willard Heckel
Professor of Law & former Dean
Rutgers Law School - Newark

Jonathan Hyman
Associate Professor of Law
Rutgers Law School - Newark

E. Judson Jennings
Professor of Law
Seton Hall Law School

Arthur Kinoy
Professor of Law
Rutgers Law School - Newark

John Leubsdorf
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Rutgers Law School - Camden

(note: Titles and schools are listed for identification purposes only)

POINT OF VIEW

Beat back Constitutional Convention ogre

FRANK ASKIN

Column 1 to the Daily Record

There are some who believe we should "celebrate" the 200th birthday of our Constitution just with speeches and passages, but with a good old constitutional convention, just like the one that started it all in the first place.

And those who do have now turned their attention to New Jersey as the state which can make their dreams come true.

The Con Con advocates, as they are known in legal and political circles, have already convinced 32 state legislatures to adopt resolutions calling on Congress to convene the nation's first Constitutional Convention in 200 years. If just two more states join the chorus, then, pursuant to Article V of the Constitution, Congress will be compelled to act.

New Jersey is now in the Con Con spotlight because our Legislature has never tackled the issue during the 10 years it has been

floating around the country and because the leaders of at least one house plus Gov. Thomas H. Kean have indicated their support. The Assembly's State Government Committee held its first hearing on the issue in October.

During the past two years, seven states have rejected the Con Con resolutions, but in two of them — Washington and Minnesota — the margin of defeat was a single vote. Should New Jersey make it 33 "ayes," supporters are confident that with the aid of one of their biggest boosters, President Reagan, they will be able to persuade a 34th Legislature to jump aboard the bandwagon in 1987.

Washington, where the Republican Party has increased its legislative representation since Con Con's narrow defeat during the last general election, may be particularly ripe for a revival. In addition, the issue is particularly timely this year in Montana, Maine, Nevada, California and Ohio. New attitudes toward Con Con do not mean strict party lines, there is no doubt it enjoys more support

on the GOP side of the legislative aisles.)

If proponents should garner their 34 votes, then the "fun" really begins!

While the Con Con movement calls only for a convention for the single purpose of proposing a Balanced Budget Amendment, there is nothing in the present Constitution itself which provides for a limited convention. Article V merely states that whenever two-thirds of the states ask for a Constitutional Convention, Congress shall convene one.

The last time we had one was in 1787, when a convention called to repair the Articles of Confederation instead tore it up and created our present charter.

For some opponents, even the prospect of a balanced budget amendment is sufficiently ominous to sound the alarm. They believe it would place the federal government in a fiscal straight jacket which might make it unable to cope with recessions or war situations. Even many who believe that

\$200 billion budget deficits are unacceptable, see a balanced budget amendment as potentially causing even more serious mischief. Indeed, even President Reagan and his fiscal advisers seem to fluctuate between support for a balanced budget and a position that federal deficits do not matter.

But the major opposition to Con Con is unrelated to the budget issue. It arises from a concern that a runaway convention might do irreparable damage to the constitutional system under which this country has flourished for 200 years.

While there are constitutional scholars on both sides of the issue, all would have to agree that at this time there is no definitive answer to the question of whether such a convention can be limited to a single issue. And Catch 23 is that there is probably no way to determine the answer until after a runaway convention has ignored its mandate. Only then would the Supreme Court be able to decide whether unauthorized actions

adopted by the convention and approved by the Congress had indeed become the new supreme law of the land.

The flawed process is emphasized by the fact that at this moment there are absolutely no rules as to how a constitutional convention would operate or even how the delegates would be chosen.

There is little doubt that the radical-right movement which has grown up over the past two decades would see the convention as its opportunity to transform the nation in its own image of a "Christian America," battering down the historic wall of separation between church and state and enacting its own moral code as the law of the land, including the outlawing of abortion.

The very battle for control of the convention itself might divide this nation in a way not seen since the Civil War.

Even if it were ultimately decided that the convention could only propose amendments relating to federal fiscal policy, there are

probably few issues on the radical right agenda that could not be translated in monetary terms, e.g., a prohibition on the appropriation of money for schools which do not require daily prayer or which do not teach Christian doctrine; or forbidding assistance to any state which does not make abortion a crime.

This is the can of worms which Con Con threatens to open. Its proponents might do well to reconsider whether they really want to try that road.

Our Constitution has stood the test of time for 200 years. On 26 occasions we have amended it by the traditional process of Congressional proposal and ratification by the states.

Do we really want to face the Constitutional Convention ogre at this late date?

Frank Askin is professor of constitutional law at Rutgers Law School, Newark.

**CONSTITUTION
FOR A
UNITED REPUBLICS
OF AMERICA**

by
Rexford Guy Tugwell

and
**THE CENTER FOR THE
STUDY OF
DEMOCRATIC INSTITUTIONS**

The following is a draft of a New Constitution for the United States. It was written by Rexford Guy Tugwell at the request of Mr. Robert Hutchins of the Center of the Study of Democratic Institutions.

Mr. Tugwell was an instructor at the University of Chicago, and the London School of Economics, a Socialist school in England. He has been described as "fully committed to Socialism on a national and international scale." He was affiliated with a series of organizations, at least five of which have been described as "Communist fronts" by the various committees of the Senate and House created to study such organizations.

The Center of the Study of Democratic Institutions was created in 1959 by the Fund for the Republic. The latter was created in 1953 by the Ford Foundation, the financier of the "most extreme leftwingers all over the world."

CONSTITUTION FOR A UNITED REPUBLICS OF AMERICA

A Model for discussion version XXXVII (1970)

ADOPTION

It has been assumed in the course of this constitutional exercise that the time might come when the American people, exasperated by the obstructionism of their Congress, the unwarranted assumption of legislative powers by their Supreme Court, or the unbearable load of duties undertaken by the President, might decide that new institutions are necessary to fulfill their reasonable expectations of progress. Conceivably, it could happen in this way:

A President, approaching the end of his term, provoked by his inability to move the Congress, determined to check the government's hardening into bureaucratic stolidity, fearful of the accumulating consequences of obsolescence, and conscious of his inability to carry all his responsibilities, concludes that he must appeal for consent to a new constitution.

He cannot proceed in the ways provided in the existing Constitution. The Congress could not be expected to agree, by a two-thirds majority of both houses, to such a proposal; and serious petition for a convention from the states is even more unlikely. Both the present Congress and the existing states will be adversely affected by what must be done.

The President recalls that the framers in 1787 carried through something of a tour de force. The calling of a convention had been regularly authorized, it was true; but delegates, who had been directed simply to amend the Articles of Confederation, had gone much beyond their terms of reference and had framed a whole new governmental scheme. Moreover they had provided for its ratification by the adherence of only nine out of thirteen states, a doubtful way of reducing expected opposition.

It seems to the President that some new effort of this kind must be made. If it must be made in unorthodox fashion, it still could have the consent of the ultimate authority in a democracy - the people. If they demand a new constitution, who could say that the demand ought to be denied? He decides to give them that opportunity and he announces what he intends.

There is the expected uproar from those who fear the loss of privileges. But there is louder commendation from those who agree with him, and he is able to persuade a hundred concerned citizens of acknowledged prominence to join in the reconsideration. They undertake to draft a new constitution. By the time he has to campaign for reelection something like the following document has been produced and agreed to by eighty of the hundred. The President makes it the single issue of his appeal. He is satisfied, he says, that the draft constitution incorporates the principles of freedom under law; that it would assist in adaptation to the circumstances imposed by nature and by the need for tolerance among nations; and that it would encourage initiative and productivity while offering economic security.

The President assumes, he says, that since he is wholly identified with it, his election by a considerable majority would signal approval of the new constitution. They are engaged, he tells the voters, in a referendum of sovereign persons who stand above all the institutions of the government created by their ancestors and too little changed since that time. He puts the ratifying majority at sixty per cent of those voting.

He speaks of the moment as a solemn one in the nation's experience, a time when the past is being conditioned to the future, and when a law fundamental to all other laws is again being created as it had been by the founders in another time of national trial.

He pledges that if his proposal is approved, he will proceed by interim arrangement until the new constitution can be implemented; then he will retire to become a member of the new Senate provided for in the constitution.

Thus the issue is joined ...

PREAMBLE

So that we may join in common endeavors, welcome the future in good order, and create an adequate and self-repairing government - we the people do establish the United Republics of America, herein provided to be ours, and do ordain this Constitution, whose law it shall be until the time provided for it shall have run.

ARTICLE I

THE REPUBLICS

Section 1. There shall be Republics, each numbering no less than five per cent of the whole people, with such exceptions as the boundary commission shall make. They shall continue during the life of this Constitution, together forming the United Republics of America.

Section 2. They shall have constitutions formulated and adopted by processes hereinafter prescribed.

Section 3. They shall have Governors General; legislatures; and planning, administrative, and judicial systems.

Section 4. Their political procedures shall be organized and supervised by their own electoral Overseers; but their elections shall not be in years of Presidential election.

Section 5. They may make use of the United Republics' electoral apparatus and may be allotted funds under rules agreed to by the national overseer; but, unless exceptions are approved by him, expenditures may not be made by or for any candidate; and residence requirements shall be no longer than thirty days.

Section 6. They may charter subsidiary governments, urban or rural, and may delegate to them powers appropriate to their responsibilities; and such ~~governments shall be autonomous in matters exclusive to their citizens, except~~ that they shall conform to constitutions of the United Republics of America and of their Republics.

Section 7. Republics may lay, or may delegate the laying of, taxes; but these shall conform to the rules and restraints stated herein for the United Republics; and those on land may be higher than those on its improvements.

Section 8. They shall be responsible for the administration of public services not reserved to the government of the United Republics, such activities being concerted with those of corresponding national agencies, where these exist, under arrangements common to all.

Section 9. The rights and duties prescribed in this Constitution shall be effective in the Republics and shall be suspended only in states of emergency declared by Governors General and not disapproved by the Senate of the United Republics.

Section 10. Police powers of the Republics shall extend to all matters not reserved to the United Republics; but preempted powers shall not be impaired.

Section 11. Republics may not enter into any treaty, alliance, or confederation not approved by the United Republics. They may not coin money, provide for the payment of debts in any but legal tender, nor make any charge for inter-Republic services. They may not pass ex post facto laws or laws impairing the obligation of contract.

Section 12. Republics may not tax exports, may not tax with intent to prevent imports, and may not impose any tax forbidden by United Republics law; but the objects appropriate for taxation by Republics shall be clearly designated.

Section 13. Republics may not impose quarantine against imports from other Republics or impose any hindrance to citizens' freedom of movement.

Section 14. If governments of the Republics fail to carry out fully their constitutional duties, their officials shall be warned and may be required by the Senate, on the recommendation of the Watchkeeper, to conform or be subject to suspension from their duties.

ARTICLE II

THE ELECTORAL BRANCH

Section 1. To arrange for participation by the electorate in the determination of policies and the selection of officials, there shall be an Electoral Branch of the United Republics.

Section 2. An Overseer of electoral procedures shall be chosen by the Senate for one term of seven years. He shall see to the organizations of national and district parties, arrange for discussion among them, and provide for the nomination and election of candidates for public office. During his service he shall belong to no political organization.

Section 3. A national party shall be one having had at least a five-per-cent affiliation in the latest general election; but a new party shall be recognized when valid petitions have been signed by at least two per cent of the voters in each of thirty per cent of the districts drawn for the House of Representatives.

Section 3. (Continued) Recognition shall be suspended upon failure to gain five per cent of the votes at a second election, ten per cent at a third, or fifteen per cent at further elections.

District parties shall be recognized when at least two per cent of the voters shall have signed petitions of affiliation; but recognition shall be withdrawn upon failure to attract the same percentages as are necessary for the continuance of national parties.

Section 4. Recognition by the Overseer shall bring parties within established regulations and entitle them to common privileges.

Section 5. The Overseer shall promulgate rules for party conduct and shall see that fair practices are maintained. For this purpose he shall appoint deputies in each district and shall supervise the choice, in district and shall supervise the choice, in district and national conventions, of party administrators. His regulations and appointments may be objected to by the Senate; and he may be removed by a majority vote.

Section 6. The Overseer, with the administrators and other officials, shall:

- a. Provide the means for discussion, in each party, of public issues, and, for this purpose, see that members have adequate facilities for participation.
- b. Arrange for discussion, in annual district meetings, of the President's views, of the findings of the Planning Branch, and such other information as may be pertinent for enlightened political discussion.
- c. Arrange, on the first Saturday in each month, for enrollment, valid for one year, of voters at convenient places.

Section 7. He shall also:

- a. Assist the parties in nominating candidates for district members of the House of Representatives each three years; and for this purpose designate one hundred districts, each with a similar number of eligible voters, redrawing districts after each election. In these there shall be party conventions having no more than three hundred delegates, so distributed that representation be approximately equal.

Candidates for delegate may become eligible by presenting petitions signed by two hundred registered voters. They shall be elected by party members on the first Tuesday in March, those having the largest number of votes being chosen until the three hundred, together with ten alternates, be complete.

District conventions shall be held on the first Tuesday in April. Delegates shall choose three candidates for membership in the House of Representatives, the three having the most votes becoming candidates.

- b. Arrange for the election each three years of three members of the House of Representatives in each district from among the candidates chosen in party conventions, the three having the most votes to be elected.

Section 8. He shall also:

- a. Arrange for national conventions to meet nine years after the previous Presidential election, having an equal number of delegates from each district, the whole not to exceed one thousand.

Section 8. (Continued) a. Candidates for delegate shall be eligible when petitions signed by five hundred registered voters have been filed. Those with the most votes, together with two alternates, shall be chosen in each district.

b. Approve procedures in these conventions for choosing one hundred candidates to be members-at-large of the House of Representatives, for this purpose causing delegates to file one choice with convention officials, voting on submissions to proceed until one hundred achieve ten per cent; but not more than three choices may be resident in any one district; if any district have more than three, those with the fewest votes shall be eliminated, others being added from the districts having less than three, until equality be reached. Of those added, those having the most votes shall be chosen first.

c. Arrange procedures for consideration and approval of party objectives by the convention.

d. Formulate rules for the nomination in these conventions of candidates for President and Vice Presidents when the offices are to fall vacant, candidates for nomination to be recognized when petitions shall have been presented by one hundred or more delegates, pledged to continue support until candidates can no longer win or until they consent to withdraw. Presidents and Vice Presidents, after serving for three years, shall submit to referendum, and if rejected, new conventions shall be held within one month and candidates shall be chosen as for vacant offices. Candidates for President and Vice Presidents shall be nominated on attaining a majority.

e. Arrange for the election on the first Tuesday in June, in appropriate years, of new candidates for President and Vice Presidents, and for members-at-large of the House of Representatives, all being presented to the nation's voters as a ticket; if no ticket achieve a majority, he shall arrange another election on the third Tuesday in June between the two having the most votes; and if referendum so determine he shall provide similar arrangements for the nomination and election of candidates. If there be no majority in this election, another shall be held on the first Tuesday in July following.

Section 9. He shall also:

a. Arrange for the convening of the legislative houses on the fourth of Tuesday of July.

b. Arrange for inauguration of the President and Vice Presidents on the second Tuesday of August.

Section 10. All costs of these procedures shall be paid from public funds and there shall be no private contributions to parties or candidates; no contributions or expenditures for meetings, conventions, or campaigns shall be made; and no candidate for office may make any personal expenditures unless authorized by the Overseer; and persons or groups making expenditures, directly or indirectly, in support of prospective candidates, shall report to the Overseer and shall conform to his regulations.

Section 11. Expenses of the Electoral Branch shall be met by the addition of one per cent to their net annual taxable income returns by taxpayers, this sum to be held by the Chancellor of Financial Affairs for disposition by the Overseer.

Funds shall be distributed to parties in proportion to the respective number of votes cast for the President and Governors General at the last election, except that new parties, on being recognized, shall share in proportion to their number.

Section 11. (Continued) Party administrators shall make allocations to legislative candidates in amounts proportional to the party vote at the last election. Expenditures shall be audited by the Watchkeeper; and sums not expected within two years shall no longer be available.

If shall be a condition of every communications franchise that facilities shall be available for allocation by the Electoral Overseer to candidates for office.

Section 12. In all electoral decisions the vote of any citizen shall count equally with others; his eligibility to vote and his qualifications for office shall be determined as provided herein.

ARTICLE III

THE PLANNING BRANCH

Section 1. There shall be a Planning Branch to formulate and administer plans and to prepare budgets for the uses of expected income in pursuit of policies formulated by the processes provided herein.

Section 2. There shall be a Planning Board of eleven members appointed by the President; the first members shall have terms of one to eleven years, the one having the longest term to be chairman; thereafter one shall be appointed each year. They shall be eligible for reappointment.

Section 3. The chairman shall present to the Board six- and twelve-year development plans prepared by a planning department under his supervision, and they shall be revised after public hearings in the year before they are to take effect. These shall be submitted to the President on the fourth Tuesday in July for transmission to the Senate on September 1st with his comments.

The chairman shall transmit the annual budget to the President on the fourth Tuesday in July. It shall be a revision, for the coming year, of the six-year plan, combining estimates for all departments and agencies.

If a majority of the Board fail to approve the budget proposals by the forwarding date, the chairman shall nevertheless make submission to the President with notations of reservations by members. The President shall transmit the budget, with his comments, to the House of Representatives on September 1st.

Section 4. A planning administrator shall be appointed by the chairman, unless a majority of the Board object, from panels elected by national associations of professional planners recognized by him; and he shall appoint such deputies as may be agreed to by the chairman and the Board.

Section 5. It shall be recognized that the six-and twelve-year development plans represent national intentions tempered by the appraisal of possibilities. The twelve-year plan shall be a general estimate of probable progress, both governmental and private; the six-year plan shall be more specific as to estimated income and expenditure.

The purpose shall be to advance, through every agency of government, the excellence of national life; it shall be the further purpose to anticipate innovations, to estimate their impact, to assimilate them into existing institutions, or to moderate deleterious effects on the environment and on society.

The six-and twelve-year plans shall be disseminated for discussion and the opinions expressed shall be considered in the formulation of plans for the succeeding year.

Section 6. For both plans an extension of one year into the future shall be made each year and the estimates for all other years shall be revised accordingly. For non-governmental activities the estimate of developments shall be calculated to indicate the need for enlargement or restriction.

Section 7. If there be objection by the President or the Senate to the six-or twelve -year plans, they shall be returned for restudy and resubmission. If there still be differences, and if the President and the Senate agree, they shall prevail. If they do not agree, the Senate shall prevail and the plan shall be revised accordingly.

Section 8. The Republics, on June 1st, shall submit proposals for development to be considered for inclusion in those for the United Republics. Researches and administration shall be delegated, when convenient, to planning agencies of the Republics.

Section 9. Submissions may be required from such private individuals or associations as are affected with a public interest, including those organized as Authorities. They shall report intentions to expand or contract, estimates of production and demand, probable uses of resources, numbers to be employed, and such other information as may be essential to comprehensive public planning; but there shall be regard for the convenience of those required to make reports.

Section 10. The Planning Branch shall make and have custody of the official maps of the United Republics and these shall be documents of reference for future developments both public and private. The location of facilities, with extension indicated, and the intended use of all areas, shall be marked out on the official maps.

Official maps shall also be maintained by the planning agencies of the Republics; and in matters not exclusively national the Board may rely on these.

Developments in violation of official designation shall be at the risk of the venturer and there shall be no recourse; but losses from designations preceding acquisition shall be recoverable in actions before the Court of Claims.

Section 11. The Planning Branch shall have available to it funds equal to one-half of one per cent of the approved United Republics budget (not including debt service or payments from trust funds). They shall be held by the Chancellor of Financial Affairs and expended according to rules approved by the Board.

Section 12. Allocations may be made for the work of the planning agencies of the Republics; but their procedures shall conform to standards formulated by the Board, taking into account population, area, and such other criteria as may be relevant; but only the United Republics map and plans or those approved by the Board shall have status at law.

Section 13. In making plans, there shall be due regard to the interests of other nations and such co-operation with their intentions as may be consistent with plans for the United Republics.

Section 14. The Planning Branch may cooperate with international agencies, making such contributions to their work as are approved by the President.

THE PRESIDENCY

Section 1. The President of the United Republics shall be responsible to all the people. He shall be the head of their government, shaper of its commitments, expositor of its policies, and supreme commander of its protective forces.

He shall have one term of nine years, unless rejected by sixty per cent of the electorate after three years.

He shall take care that the nation's resources are estimated and are apportioned to its more exigent needs; and he shall recommend such plans, legislation, and action as he may find necessary.

He shall address the legislators, each year on the state of the nation, calling upon them to do their part for the general good, and from time to time shall make report to the citizen.

With the Vice Presidents and the Intendant, he shall see to it that the laws are faithfully executed and shall pay attention to recommendations of the Planning Board, the Watchkeeper, and the Regulator in formulating his strategies.

Section 2. There shall be two Vice Presidents elected with the President; at the time of taking office the President shall designate one to supervise general affairs and the other to supervise internal affairs. He shall also designate one to be his successor if he shall be permanently incapacitated; the other shall be second in succession. If either Vice President shall die or be incapacitated, the President, with the consent of the Senate, shall appoint a successor. They shall serve with him if he shall have an extended term; but their assignments shall be at his convenience.

If the Presidency shall fall vacant through the disability of both Vice Presidents, the Senate shall elect a successor from among its members to serve until the next general election.

Section 3. Responsible to the Vice President for General Affairs there shall be Chancellors of Foreign, Financial, Military, and Legal Affairs.

The Chancellor of Foreign Affairs shall assist the President in conduction relations with other nations.

The Chancellor of Financial Affairs shall supervise the nation's monetary system and regulate its capital markets and credit-issuing institutions as they may be established by law; and this shall include lending institutions for operations in other nations or in cooperation with them, except that treaties may determine their purposes and standards.

The Chancellor of Legal Affairs shall advise governmental agencies and represent them before the courts.

The Chancellor of Military Affairs shall act for the Presidency in disposing all armed forces except Republican Guards commanded by Governors General; but these shall be available for national service at the President's convenience.

Except in declared emergency, the deployment of forces in far waters, or in other nations without their consent, shall be notified in advance to a national security committee of the Senate and if it object, and the Senate shall agree, it shall prevail.

Section 4. Responsible to the Vice President for Internal Affairs there shall be chancellors of such departments as the President may find necessary for performing the services of government and are not rejected by law when the succeeding budget is considered.

Section 5. Candidates for the Presidency and the Vice Presidencies shall be natural born citizens. Their suitability may be questioned by the Senate within ten days of their nomination, and if two-thirds of the whole agree, they shall withdraw and a nominating convention shall be reconvened. At the time of his nomination no candidate shall be a member of the Senate and none shall be on active service in the armed forces.

Section 6. The President may take leave because of illness or for an interval of relief, and the Vice President in charge of General Affairs shall act in his place; but the Senate shall be notified and a majority may object or may recall him to active duty. He may resign if the Senate agree; and if his term shall have more than two years to run, the Overseer shall arrange for a special election for President and Vice Presidents.

Section 7. The Vice Presidents may be directed to perform such ministerial duties as the President may find convenient; but their instructions shall be of record, and their actions shall be taken as his deputy.

Section 8. Incapacitation of the President may be established without his concurrence by a two-thirds vote of the Senate, whereupon his successor shall become acting President until the disability be declared, by a similar vote, to be ended or to have become permanent. Similarly the other Vice President shall succeed if his predecessor die or be disabled. Special elections, in these contingencies, may be required by the Senate.

Acting Presidents may appoint deputies, unless the Senate object, to assume their supervisory duties until the next election.

Section 9. The Vice Presidents, together with such other officials as the President may designate from time to time, may constitute his cabinet or council and shall serve as he may require, but this shall not include officials of other branches.

Section 10. Treaties or agreements with other nations, negotiated under the President's direction, shall be in effect unless objected to by a majority of the Senate within ninety days. If objected to, the President may resubmit and the Senate reconsider. If a majority still object the Senate shall prevail.

Section 11. The President may cause information to be withheld from disclosure if it be judged by him to be harmful to any individual or to the public interest; but it shall be his duty not to infringe the public's right to know for what reason decisions are made.

Section 12. All officers of the United Republics including representatives abroad, except as provided herein, shall be appointed and may be removed by the President. The Senate may object to appointments within sixty days, and alternative candidates may be offered until it agree.

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Section 12. All officers of the United Republics including representatives abroad, except as provided herein, shall be appointed and may be removed by the President. The Senate may object to appointments within sixty days, and alternative candidates may be offered until it agree.

Section 4. The Senate shall convene each year on the second Tuesday in July and shall be in continuous session, but may adjourn to the call of the Provost, who may also excuse the absence of members. A quorum shall be more than three-fifths of the whole membership.

Section 5. The Senate shall consider, and return within thirty days, all measures approved by the House of Representatives except the annual budget; approval or disapproval shall be by a majority vote of those present; objection shall stand unless the House of Representatives shall overcome it by a two-thirds vote; if no return be made, approval by the House of Representatives shall be final.

Section 6. The Senate may ask advice from the Principal Justice concerning the constitutionality of measures before it; and if this be done, the time for return to the House of Representatives may extend to sixty days.

Section 7. If requested, the Senate may advise the President on matters of public interest; or, if not requested, by resolution approved by two-thirds of those present. There shall be a special duty to note the resolutions of party conventions and commitments made during campaigns; and, if these be ignored, to remind the President and the House of Representatives of these undertakings.

Section 8. In time of clear and present danger caused by cataclysm, by attack, or by insurrection, the Senate may declare a national emergency and may instruct the President to act. If the Senate be dispersed, and no quorum available, the President may proclaim the emergency, and may terminate it unless the Senate shall have acted. If the President be not available, and the circumstances be extreme, the senior serving member of the Presidential succession may act until a quorum assemble.

Section 9. The Senate may also define and declare a limited emergency in time of prospective danger, or of local or regional disaster; or if an extraordinary advantage be anticipated; it shall be considered by the House of Representatives within three days, and unless disapproved may extend for a designated period before renewal.

During declared emergency all defined procedures shall be adhered to unless it transcend all definition.

Section 10. The Senate shall elect a National Watchkeeper and shall supervise, through a standing committee, a Watchkeeper service conducted according to rules formulated by him for their approval.

With the assistance of an appropriate staff he shall gather and organize information concerning the adequacy, competence, and integrity of governmental agencies and their personnel, as well as their continued usefulness; he shall also suggest the need for new or expanded services; and he shall also report, concerning any agency, the deleterious effect of its activities on citizens or on the environment.

For these purposes, investigations may be made, witnesses examined, post-audits made, and information required.

The Provost shall present the Watchkeeper's findings to the Senate, and, if it be judged to be in the public interest, they shall be made public, or, without being made public, be sent to the appropriate agency for its guidance and further action. On recommendation of the Watchkeeper the Senate may initiate measures to be voted on by the House of Representatives within thirty days.

Section 10 (Continued) When approved by a majority and not vetoed by the President, they shall become law. For the Watchkeeping service one-quarter of one per cent of individual net taxable incomes shall be held by the Chancellor of Financial Affairs; but amounts not expended in any fiscal year shall be available for general use.

B. THE HOUSE OF REPRESENTATIVES

Section 1. The House of Representatives shall be constituted of members who have been freely elected by the citizens of the United Republics and shall be the original law-making body.

Section 2. The House shall convene each year on the second Tuesday in July and shall remain in continuous session except that it may adjourn to the call of a Speaker, elected by majority vote, who shall be its presiding officer.

Section 3. It shall be a first duty of the House to implement by legislation the provisions of this constitution.

Section 4. Party leaders and their deputies shall be chosen by caucus at the beginning of each session.

Section 5. Standing and temporary committees shall be selected as follows:
Committees dealing with the calendaring and management of bills shall have a majority of members nominated to party caucuses by the Speaker; others shall be nominated by minority leaders. Membership shall correspond to the parties; proportions at the last election. If nominations be not approved by a majority of the caucus, the Speaker or the minority leaders shall nominate others and these shall be seated.

When committees are constituted, the Speaker shall nominate chairmen from among their members; but chairmen shall be at-large members.

Members of other committees shall be chosen by party caucus in proportion to the results of the last election. Chairmen shall be chosen annually by the Speaker from among at-large members.

Bills referred to committee shall be returned to the House with recommendations within thirty days unless the House shall permit extension by majority vote.

All committee action shall be by majority vote and those voting for and against shall be recorded.

No committee chairman shall serve longer than six years.

Section 6. Approved legislation not objected to by the Senate within thirty days after submission shall be presented to the President for his approval or disapproval. If the President disapprove, and three-quarters of the membership still approve, it shall become law. The names of those voting for and against shall be recorded. Bills not returned within eleven days shall become law.

Section 7. The President may have thirty days to consider measures approved by the House and not presented to him twelve days previous to adjournment.

Section 8. The House shall consider the annual budget; if there be objection, it shall be notified to the Planning Board; but objection must be by whole title. The Board shall resubmit; but if there still be objection, the House shall prevail if there be a two-thirds majority.

Titles not objected to shall be in effect and shall constitute appropriation.

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The budget for the fiscal year shall be in effect on January 1st. Titles not yet acted on shall be as in the former budget until action be completed.

Section 9. It shall be the duty of the House to make laws:

(1) For the laying and collecting of taxes:

- a) Collections to be uniform throughout the United Republics.
- b) Except such as may be authorized by law to be laid by the Republics or other authorities, all collections to be made by the revenue department of the United Republics. This shall include collections for the trust funds hereinafter authorized.
- c) Except for corporate levies to be held in the National Sharing Fund, hereinafter authorized, revenues may be collected only from individuals and only from incomes; but there may be withholding from current incomes.
- d) Limits may be established for altering rates of taxation to assist in the maintenance of stable economic activity. Within those limits the President may act by executive order.
- e) Taxes shall not be retroactive.
- f) Enterprises owned or conducted by religious establishments or other non-profit organizations shall be taxed.
- g) There shall be no taxes on food, medicines, residential rentals, or on commodities or services designated by law as necessities; and there shall be no double taxation.

(2) For expenditure from revenues:

- a) For the purposes detailed in the annual budget unless objection be made by the procedure prescribed herein.
- b) For such other purposes as it may indicate and may require the Planning Branch to include in revisions of the budget; but, except in declared emergency, the total may not exceed the President's estimate of available funds.

(3) For fixing the percentage of net corporate taxable incomes to be paid into a National Sharing Fund to be held in the custody of the Chancellor of Financial Affairs and to be expended for such welfare and environmental purposes as are determined by law; but expenditures for these purposes shall not exceed the amount held in the Fund.

(4) To provide for the regulation of commerce with other nations and among the Republics, Possessions, Territories, or, as shall be mutually agreed, Affiliated Republics; but exports shall not be taxed; and imports shall not be taxed except on recommendation of the President at rates whose allowable variation shall have been fixed by law; there shall be no quotas, and no nations favored by special rates, unless by special acts requiring two-thirds majorities.

(5) To establish or provide for the establishment of institutions for the safekeeping of savings, for the gathering and distribution of capital, for the issuance of credit, for controlling the media of exchange, and for regulating the coinage of money; but such institutions, when not public or semi-public, shall be regarded as affected with the public interest and shall be supervised by appropriate agencies directed by the Chancellor of Financial Affairs.

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(6) To establish institutions for insurance against risks and liabilities, or to provide suitable agencies for their regulation.

(7) To ensure the maintenance, by ownership or regulation, of facilities for communication, transportation, and others commonly used and necessary for public convenience.

(8) To assist in the maintenance of world order, and, for this purpose, when the President shall recommend, to vest such jurisdiction in international legislative, judicial, or administrative organizations as shall be consistent with the national interest.

(9) To develop with other peoples, and for the benefit of all, the resources of space, of other bodies in the universe, and of the seas beyond twelve miles from low-water shores unless treaties shall provide other limits.

(10) To assist other people who have not attained satisfactory levels of well-being; to delegate the administration of funds, whenever possible, to international agencies; and to invest in or contribute to the furthering of development in other parts of the world.

(11) To assure, or to assist in assuring, equal access to facilities for education; for training in occupations citizens may be fitted to pursue; and to reeducate or retrain those whose occupations may become obsolete.

(12) To establish or to assist institutions devoted to higher education or to technical training, and to provide equal opportunities for all eligible students.

(13) To establish or assist libraries, archives, monuments, and other places of historic interest.

(14) To assist in the advancement of sciences and technologies; and to encourage cultural activities.

(15) To conserve natural resources by purchase, by withdrawal from use or by regulation; to provide, or to assist the Republics or other governments in providing facilities for recreation; to establish and maintain parks, forests, wetlands, and prairies; to improve streams and other waters; to insure the purity of air and water; to control the erosion of soils, and to do all else necessary for the protection of the national heritage.

(16) To acquire property and improvements whenever necessary for public use at costs to be fixed, if necessary, by the Court of Claims.

(17) To prevent the stoppage or hindrance of governmental activities, or of others affected with a public interest, by reason of disputes between employers and employees, or for other reasons, and for this purpose to provide for conclusive arbitration if adequate provision for collective bargaining shall fail. From such findings there may be appeal to the Court of Arbitration Review; but such proceedings may not stay the acceptance of findings.

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(18) To establish and maintain armed forces for the security of the United Republics; but service in them shall be voluntary except in declared emergency when uniform service may be required; but the Court of Rights and Duties may establish exceptions for reasons of conscience or religious belief.

No officer of the armed forces may appear before a legislative committee; and no subordinate of any department may appear without the consent of the departmental chancellor.

(19) To enact such measures as will assist families in making adjustment to future resources, using estimates concerning population which have been made by the Planning Board.

(20) Such measures as the President may designate shall be voted on within ninety days.

ARTICLE VI

THE REGULATORY BRANCH

Section 1. There shall be a Regulatory Branch and there shall be a National Regulator. With a National Regulatory Board, he shall make and administer rules for such enterprises as are determined by law to be affected with the public interest.

The Regulatory Branch shall have such agencies as the Regulator may find necessary and are not disapproved by law. He shall appoint boards, not larger than seven members each, appropriate for supervising particular kinds of enterprise; and he shall appoint one member as chairman. They may be objected to by the Senate.

The chairmen of these boards shall constitute the National Regulatory Board, to serve with the National Regulator in making general rules for the conduct of regulated enterprises. These shall conform to the principles of fair practice, equality of service, honesty in representation, and maintenance of efficiency; they shall provide for progress through research and for protection of public interests. Such enterprises may be investigated by the Watchkeeper; and appeal from rulings may be made to the Court of Administrative Settlements.

Section 2. The Regulator shall charter all corporations or other enterprises except those supervised by the Chancellor of Financial Affairs or the Intendant. The Republics may charter those for intra-Republic activities; but all charters shall describe proposed activities, and departures from these shall require amendment by the Regulator on penalty of revocation.

Section 3. Chartered enterprises may organize joint Authorities, and these may formulate among themselves codes to ensure fair competition, meet external costs, set standards for service, expand trade, increase production, eliminate waste, assist in standardization, and maintain services of research, communication, and common use; but membership shall be open to all, and nonmembers shall be required by license to maintain the standards fixed in the codes on penalty of revocation by the Regulatory Board.

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Section 3. (Continued) All Authorities shall have governing committees of five, three being appointed by the Regulator to represent the public. They shall serve as he may determine; they shall be compensated; and he shall take care that there be no conflicts of interest. The National Regulatory Board shall approve or prescribe the distribution of profits to stockholders, allowable amounts of working capital, reserves and costs, and all other practices affecting the public interest.

All codes shall be subject to review by the Regulator with his Board; and governing bodies may be dissolved and reconstituted with approved members.

Section 4. Member enterprises of an Authority shall be exempt from other regulation.

Section 5. The Regulator, with his Board, shall fix standards and procedures for the merger of enterprises or the acquisition of some by others; and these shall be in effect unless rejected by the Court of Administrative Settlements. The purpose shall be to encourage adaptation to change and to further approved intentions for the nation.

Section 6. Enterprises may be restrained by the Regulator when they restrict access to, or increase prices of, goods and services; or when their ecological effects are deleterious; and he shall see to it that external costs are assessed to their originators.

Section 7. Operations extending abroad shall conform to policies notified to the Regulator by the President.

Section 8. The Regulator shall charter non-profit corporations (or foundations) determined by him with the Board to be for useful public purposes; but this judgment may be reviewed by the Court of Rights and Duties. Contributions shall not be taxed.

Section 9. He shall make rules for and shall supervise storehouses for products and marketplaces for goods and services; but this shall not include security exchanges regulated by the Chancellor of Financial Affairs.

Section 10. Designation of enterprises affected with a public interest, rules for the conduct of enterprises and of their Authorities, and other actions of the Regulator or of the Boards, may be appealed to the Court of Administrative Settlements.

Section 11. Responsible also to the Regulator, there shall be a commission appointed by the Regulator, unless the Senate object, for the supervision of public enterprises. The commission shall maintain the necessary surveillance of enterprises wholly or partly owned by the government. The commission shall choose its chairman and he shall be the executive head of a supervisory staff. He may require reports, conduct investigations, and make rules and recommendations concerning surpluses or deficits, the absorption of external costs, standards of service, and rates or prices charged for services or goods. The intention shall be that such enterprises shall be self-supporting, but exceptions may be made if the legislature agree.

Each enterprise shall have a director, chosen by and removable by the commission; and he shall conduct its affairs in accordance with the standards of public service fixed by the commission.

The conduct of the commission and the activities of such corporations may be reviewed by the Court of Administrative Settlements.

ARTICLE VII

THE JUDICIAL BRANCH

Section 1. There shall be a Principal Justice of the United Republics; and there shall be a Judicial Council, a Judicial Assembly, a High Court of the Constitution, and a High Court of Appeals; also Courts of Claims; Rights and Duties; Administrative Settlements; Tax Appeals; and Arbitration Review.

Also there shall be Circuit courts to be of first resort in suits brought under national law and to hear appeals from courts of the Republics.

Other courts may be established by law on recommendation of the Principal Justice with the Judicial Council.

Section 2. The Principal Justice shall preside over the judicial system, shall appoint the members of all courts, and, with the Judicial Council, make its rules; also, through the administrator, he shall supervise its operations.

Section 3. There shall be a Judicial Assembly consisting of Circuit Court judges, together with those of the High Courts of the United Republics and those of the highest courts of the Republics. It shall meet annually, or at the call of the Principal Justice, to consider the state of the judiciary and such other matters as may be laid before it.

It shall also meet at the call of the Provost to nominate three candidates for the Principal Justiceship of the United Republics whenever a vacancy shall occur. From these nominees the Senate shall choose the one having the most votes.

Section 4. The Principal Justice, unless the Senate object to any, shall appoint a Judicial Council of five members to serve during his incumbency. He shall designate a senior member who shall preside in his absence.

It shall be the duty of the Council, under the direction of the Principal Justice, to study the courts in operation, to prepare codes of ethics to be observed by members, and to suggest changes in procedure. They may ask the advice of the Judicial Assembly.

It shall also be a duty of the Council, as hereinafter provided, to suggest constitutional amendments when they appear to be necessary; and it shall also prepare the draft of revisions if they shall be required. Further, it shall examine, and from time to time cause to be revised, civil and criminal codes; these, when approved by the Judicial Assembly, and if not rejected by the Senate, shall be in effect throughout the United Republics.

Section 5. The Principal Justice shall have a term of twelve years; but if at any time he be disabled from continuing in office, as may be determined by the Senate, or if he resign, he shall be replaced by the senior member of the Judicial Council until a new selection be made. After six years the Assembly may determine, by a two-thirds vote, that he may not continue in office.

Section 6. The Principal Justice may suspend members of any court for incapacity or violation of rules; and the separation shall be final if a majority of the Senate agree.

For each court he shall appoint a senior member who shall preside.

Section 7. As a presiding judge may decide, with the concurrence of the senior judge of his court, criminal trials may be conducted either by investigatory or adversary proceedings, and whether there shall be a jury and what the number shall be; but investigatory proceedings shall require a bench of three.

He may also provide for pre-trial proceedings.

The rules shall preclude the putting twice in jeopardy of any accused for the same offense or punishment imposed if the accused be diseased or incompetent. They shall also preclude failure to inform the accused of charges, to allow confrontation of witnesses against him, or to call witnesses in his favor; but they shall provide for the enforcement of decorum during proceedings.

The accused shall have speedy trial and competent counsel, and the court shall consider his belief that the statute was invalid or unjust.

He shall not be compelled to be a witness against himself.

Section 8. In deciding on concordance with the Constitution, the High Court of the Constitution shall return to the House of Representatives statutes it cannot construe, and clarification shall be made within ninety days. If the House fail to make return the Court may interpret.

Section 9. The Principal Justice, with the Judicial Council, or the President, may grant pardons or reprieves for offenses against the United Republics.

Section 10. The High Courts shall have thirteen members; but nine members, chosen by their senior justice from time to time, shall constitute a court. The justices on leave shall be subject to recall.

Other courts shall have nine members; but seven, chosen by their senior, shall constitute a court.

All shall be in continuous session except for recesses approved by the Principal Justice.

Section 11. The Principal Justice, with the High Court of the Constitution, shall advise the Senate when requested concerning the constitutionality of measures approved by the House of Representatives; he may also advise the President, when requested, on matters involving constitutionality. Advisory opinions shall thereafter govern the Court's decision.

Section 12. It shall be for other branches to accept and to enforce judicial decrees.

Section 13. The High Court of Appeals may select applications for further consideration of decisions reached by other courts including those of the Republics. If it decide that there be a constitutional issue it shall assume jurisdiction. Its decisions may be reviewed, without hearing, and finally, by the High Court of the Constitution.

Section 14. The High Court of the Constitution may decide:

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Section 14. (Continued)

- a) Whether constitutional powers delegated by the legislature to any agency are excessive or are less than necessary for its mission.
- b) Whether constitutional provisions have been violated in litigation coming to it on appeal.
- c) On the application of constitutional provisions to suits involving the Republics.
- d) Suits involving international law as recognized in treaties, United Nations agreements, or any arrangements between members of the United Republics and other nations or their representatives.
- e) Other causes involving the interpretation of constitutional provisions, except that in holding any branch of government to have exceeded its powers, the opinion shall be reviewed finally by the Senate.

Section 15. The Courts of the Republics shall have initial jurisdiction in cases arising within their borders except those involving the Republic itself or those reserved for national courts by a rule of the Principal Justice with the Judicial Council.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Qualifications for participation in democratic procedures as a citizen of the United Republics and eligibility for national offices shall be subject to repeated study and to redefinition by law; but any change in qualification shall become effective only if not disapproved by majority vote at a subsequent general election.

For this purpose a permanent Citizenship and Qualifications Commission shall be constituted, four to be appointed by the President, three by the Provost, three by the Speaker, and three by the Principal Justice. Vacancies shall be filled as they occur. They shall choose a chairman; they shall have suitable assistants and accommodations; and they may have other occupations. Recommendations of the commission shall be presented to the President and shall be transmitted to the House of Representatives by the President with his comments. They shall have a preferred place on the calendar, and if approved they shall go to referendum.

Section 2. Citizens' freedom of expression, of movement, or of communication shall not be abridged except in emergency as defined in this Constitution; but the exercise of these rights may not diminish the rights of others or of the public; conflicts in the exercise of rights or questions concerning them and offenses against the public interest, adjudicated in courts of immediate jurisdiction, may be appealed to Courts of the Republics and to the Court of Rights and Duties.

Section 3. Every citizen's right to practice religion shall be guaranteed; but no religion shall be imposed by some on others; and no religion shall be encouraged by the government.

Section 4. The writ of habeas corpus shall not be suspended except in declared emergency.

Section 5. The privacy of individuals shall be respected; searches and seizures shall be made only on judicial warrant; persons shall be pursued or questioned only for the prevention of crime and the apprehension of suspected criminals, and only according to rules of the Court of Rights and Duties.

No property shall be taken except for a public purpose, by due process and with compensation.

Section 6. It shall be public policy to promote discussion of public issues and to encourage peaceful public gatherings for this purpose; and permission to hold such gatherings shall not be denied, nor shall they be interrupted by public authorities except in declared emergency or on a showing of imminent danger to public order and on judicial warrant; but such gatherings shall be protected against disruption.

Section 7. Individuals and enterprises holding themselves out to serve the public shall serve all equally and shall be held to fairness in their practices; citizens' complaints shall be attended to by the Watchkeeper, who may require compliance and compensation; but there may be appeal to the Court of Rights and Duties.

Section 8. The use of public lands, the air, or waters shall be a privilege granted only in the national interest and with restrictions imposed by authorized agencies.

Section 9. Any citizen may purchase, sell, lease, hold, convey, and inherit real and personal property, and shall benefit equally from all laws for the security of person and property; but he shall be equally liable to penalty, any statute, ordinance, regulation, or custom to the contrary notwithstanding, except as may be determined by the Courts of Rights and Duties.

Section 10. No person holding any office may accept any award or title from a foreign state or its representatives except it be authorized by law.

Section 11. All those entering the service of the United Republics shall be chosen, under rules of service approved by law, for specific capability and without discrimination for any other reason.

Section 12. No person shall bear arms or possess lethal weapons except police, members of the armed forces, or those licensed under law according to rules established by the Court of Rights and Duties.

Section 13. Areas necessary for the uses of government may be acquired at its valuation and may be maintained as the public interest may require; valuations may be appealed to the Court of Claims. Such areas may have self-government in matters of local concern.

~~Section 14. The President may negotiate for the acquisition of areas outside the United Republics, and, if the Senate approve, may provide for their organization as Possessions or Territories.~~

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Section 15. The President may make agreements with other organized peoples for a relation other than full membership in the United Republics. They may become citizens and may participate in the selection of officials. They may receive assistance for their development or from the National Sharing Fund if they conform to its requirements; and they may serve in civilian or military services, but only as volunteers. They shall be represented in the House of Representatives by members elected at large, their number proportional to their constituencies; but each shall have at least one; and each shall in the same way choose one permanent member of the Senate.

Section 16. The President, the Vice Presidents, and members of the legislative houses shall in all cases except treason, felony, and breach of the peace, be privileged from penalty for anything they may say while pursuing public duties; but the Judicial Council may make restraining rules.

Section 17. Except as otherwise provided by this Constitution, each legislative house shall establish its requirements for membership and procedures to insure against conflicts of interest. Each may make rules for the conduct of members, and provide its own disciplines for their infraction.

Section 18. No Republic shall abridge any of the rights, immunities, or liberties granted in this Constitution to citizens of the United Republics or shall interfere with its officials in the performance of their duties and all shall give full faith and credit to the acts of other Republics and of the United Republics.

Section 19. Public funds shall be expended only as authorized in this Constitution.

ARTICLE IX

GOVERNMENTAL ARRANGEMENTS

Section 1. Officers of the United Republics shall be those named in this Constitution, including those of the legislative houses and others authorized by law to be appointed; they shall be compensated and none may have other paid occupation unless they be excepted by law; none shall occupy more than one position in government; and none shall accept any gift or favor.

No income from former employments or associations shall be put aside for their benefit; but their properties may be put in trust and managed without their intervention during continuance in office; hardships under this rule may be considered by the Court of Rights and Duties and exceptions may be made with due regard to the general intention.

Section 2. The President, the Vice Presidents and the Principal Justice shall have households appropriate to their duties. The Vice Presidents, the Principal Justice, the Chairman of the Planning Board, the Regulator, the Watchkeeper, and the Overseer shall have salaries fixed by law and they shall continue for life; but if they become members of the Senate, they shall have senatorial compensation and shall conform to its requirements.

Justices of the High Courts shall have no term; and their salaries shall be two-thirds that of the Principal Justice; they, and members of the Judicial Council, shall be permanent members of the judiciary and shall be available for the assignment to duty by the Principal Justice.

Salaries for members of the Senate shall be the same as for Justices of the High Courts.

Section 3. Officials designated by the head of a branch as sharers in policymaking may be appointed by him with the President's concurrence and unless the Senate shall object.

Section 4. There shall be administrators:

a) for the offices and official households, appointed by a standing committee of the Senate;

b) for the national courts, appointed by the Chief Justice;

c) for the Legislative Branch selected by a committee of members from each house (chosen by the Provost and the Speaker), three from the House of Representatives and four from the Senate.

Appropriations shall be made to them; but those for the Presidency shall not be reduced during his term unless with his consent; and those for the Judicial Branch shall not be reduced during five years succeeding their determination, unless with the consent of the Chief Justice.

Section 5. The fiscal year shall be the same as the calendar year, with new appropriations available at its beginning; but if any remain to be acted on, provisions for the year preceding shall be in effect until action shall have been taken.

Section 6. There shall be an Officials' Protective Service to guard the President, the Vice Presidents, the Principal Justice, and other officials whose safety may be at hazard; and there shall be a Protector appointed by a standing committee of the Senate and he shall be responsible to it. Protected officials shall be guided by procedures approved by the committee.

The service, at the request of the Political Overseer, may extend its protection to candidates for office; and they shall conform to uniform rules for public appearances.

Section 7. A suitable contingency fund shall be made available to the President for purposes defined in resolutions of the House of Representatives.

Section 8. The Senate shall try other officers of government than legislators when impeached by a two-thirds vote of the House of Representatives for conduct prejudicial to the public interest. If Presidents or Vice Presidents are to be tried, the Senate, as constituted, shall conduct the trial. Judgments shall not extend beyond removal from office and disqualification for holding further office; but the convicted official shall be liable to trial according to law.

Section 9. Members of legislative houses may be impeached by the Judicial Council; but for trial it shall be enlarged to seventeen by Justices of the High Courts appointed by the Principal Justice. If convicted, members shall be ~~expelled and be ineligible for future public office~~; they shall also be liable for trial as citizens.

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AMENDMENT

Section 1. It being the special duty of the Judicial Council to formulate and suggest amendments to this Constitution, it shall, from time to time, make proposals, through the Principal Justice, to the Senate. The Senate, if it approve, and if the President agree, shall instruct the Overseer to arrange at the next national election for submission of the amendment to the electorate. If not disapproved by a majority, it shall become part of this Constitution. If rejected, it may be restudied and resubmitted.

Section 2. When this Constitution shall have been in effect for five Presidential terms the Overseer shall ask, by referendum at the succeeding election, whether a new Constitution shall be prepared. If a majority so decide, the Council shall prepare a new draft, approved by the Senate, for submission at the next election. If not disapproved by a majority it shall be in effect. If disapproved it shall be redrafted and resubmitted with such changes as may be appropriate to the then circumstances, and it shall be submitted to the electorate.

If not disapproved by a majority it shall be in effect. If disapproved it shall be restudied and resubmitted.

ARTICLE XI

TRANSITION

Section 1. The President is authorized to assume such powers, make such appointments and use such funds as are necessary to enable this Constitution to become effective as soon as possible after ratification.

Section 2. Such members of the Senate as may be at once available shall convene and, if at least half, shall constitute full membership while others are being added. They shall appoint an Overseer to arrange for electoral organization and elections for the offices of government; but the President and Vice Presidents shall serve out their terms and then become members of the Senate. At that time the Presidency shall be constituted as provided in this Constitution.

Section 3. Until each indicated change in the government shall have been completed the provisions of the existing Constitution and the organs of government shall be in effect.

Section 4. All functions of national government shall cease when and if they are replaced by others authorized under this Constitution as determined by the President.

The President shall cause to be constituted a commission of appropriate size to designate existing laws inconsistent with this Constitution and they shall be declared null and void by the President; also the commission shall assist the President and the legislative houses in the formulating of such laws as may be consistent with the Constitution and necessary to its implementation.

Section 5. For the establishing of the Republics' boundaries a commission of thirteen, appointed by the Principal Justice of the United Republics, shall make recommendations within one year. For this purpose they may take advice and commission studies concerning resources, population, transportation, communication, economic and social arrangements, and such other conditions as may be significant. The Principal Justice shall transmit the commission's report to the Senate after entertaining, if convenient, petitions for revision. If not objected to by the Senate, his recommendations shall be in effect.

Existing states shall not be divided unless metropolitan areas extending over more than one state are to be included in one Republic, or unless other compelling circumstances exist; and each Republic shall possess harmonious regional characteristics.

Section 6. Constitutions of the Republics shall be established as shall be arranged by the Judicial Council and the Principal Justice.

These procedures shall be as follows: Constitutions shall be drafted by an assembly of the highest courts of the states to be included in each Republic. There shall then be a convention of one hundred delegates chosen in special elections in a procedure approved by the Overseer. If the convention shall not reject the Constitution it shall be in effect and the government shall be constituted. If it be rejected, the Principal Justice, advised by the Judicial Council, shall promulgate a Constitution and initiate revisions to be submitted for approval at a time he shall appoint. If it again be rejected he shall promulgate another, taking account of objections, and it shall be in effect. A Republican Constitution, once in effect, shall be valid for twenty-five years when revision prepared by its Judicial Council shall be referred to its electorate; if not approved it shall be revised again and submitted at a regular election.

Section 7. Until Governors General and legislatures of the Republics are seated, state governments shall continue in their functions except that the President may appoint temporary Governors General to act as executives until succeeded by those regularly elected. These Governors General shall succeed to the executive functions of the states as they are merged in the Republics.

Section 8. The indicated appointments, elections, and other arrangements shall be made with all deliberate speed.

Section 9. The first Judicial Assembly for selecting a register of candidates for the Principal Justiceship of the United Republics shall be called by the incumbent Chief Justice immediately upon ratification.

Section 10. When this Constitution has been implemented appropriate parts of this article shall be deleted.

CON CON:

The stories in this special reprint have appeared in The SPOTLIGHT from 1984 through the first quarter of 1986. Dates which appear in the stories are in relation to the first date of publication.

Plan to Subvert Founding Fathers?

REPRINTED FROM THE SPOTLIGHT, MAY 19, 1986

By Louise Privateer

Imagine this scenario: The U.S. Supreme Court declares the Gramm-Rudman "balanced budget" law unconstitutional. A Constitutional crisis ensues.

Public officials, including members of Congress, the administration, "learned" lawyers and "scholars" from think tanks include that the only way left to balance the budget and save our nation from economic ruin is to have a Constitutional Convention.

The Establishment media—which has hoarded precious little about the 10-year effort to call a "Con con"—starts beating the drums by pronouncing the views of all the "experts" who insist that a con con is needed to balance the budget and resolve this crisis.

The public is frightened of America's mounting deficits and national debt and readily persuaded a Con con is a must. Perfected? Not at all. Some people think to utilize the celebration of the centennial of our present Constitution in 1987 to turn the ideas of our Founding Fathers upside down.

The Supreme Court has now heard arguments on the Constitutionality of Gramm-Rudman and is expected to announce its ruling by the Fourth of July—Independence Day. Rep. Mike Synar (D-Texas) and 11 other congressmen had a lawsuit charging that the automatic budget cuts mandated by Gramm-Rudman violate the rule of separation of powers outlined in the Constitution.

The Constitution gives spending and revenue collecting authority solely to Congress.)

By giving budget cutting authority to the General Accounting Office (GAO), the Congressional Budget Office and the Office of Management and Budget, Congress is seeking to avoid being held responsible for federal deficits.

In February, a three-judge panel declared Gramm-Rudman was unconstitutional. However, it gave convoluted reasons for its ruling. In effect, the ruling reversed our Founding Fathers' concept of the separation of powers. Arguments by those present at the oral arguments presented before the Supreme Court indicate the justices seem to be leaning toward the opinion that Gramm-Rudman is unconstitutional.

The attorney representing the case of Comptroller general (head of the GAO) before the court is Lloyd Cutler, a powerful Washington lawyer and former counsel to President Jimmy Carter. Cutler is a key member of the elite group of internationalists who want to transform our republic into a parliamentary form of government.

As noted by Rep. John LaFalce (D-New York), Gramm-Rudman itself installs monetary changes into our governmental system by giving the executive branch powers exclusively authorized to



Congress under our Constitution. While it is therefore no surprise that Cutler is defending Gramm-Rudman, he and his associates may win either way.

If the law is declared unconstitutional, the Committee on the Constitutional System (CCS) can then implement its structural changes to our Constitution at a Con con.

Cutler and his colleagues in the Rockefeller-funded CCS want to make it easier to ratify treaties by reducing the two-thirds Senate requirement to a simple majority; to force citizens to vote a straight-party line for president, vice

president, senators and congressman; to allow the president to appoint members of Congress in addition to those elected; to eliminate the 22nd Amendment, which limits the president to two terms in office, among many other proposals that would erode the separation of powers.

President Ronald Reagan has said he feels so strongly about the need to balance the budget that he is "willing to risk what might happen" at a Con con—this despite the fact that he has never submitted a balanced budget to Congress since he has been president. In

fact, he has presided over the biggest deficits in history.

Perhaps Reagan views the Con con as a perfect opportunity to repeal the 22nd Amendment, which he repeatedly has said he would like to do, so he can remain in office.

Have the balanced budget amendment in Congress and the Gramm-Rudman bill been used to set up a phony debate, to contrive a situation whereby the American people will be convinced that the structure of our government does not work and that a Con con is needed to remedy the situation? Time will tell. ●

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Agents of Change Threater

REPRINTED FROM THE SPOTLIGHT, JUNE 18, 1984
By Trisha Katson

A powerful group of internationalists, financed in part by David Rockefeller and including on its board of directors Robert Strange McNamara, has unveiled plans to change the "political structure" of the United States and make parliamentary-style amendments to the Constitution.

The group, the Committee on the Constitutional System (CCS), revealed some of its proposals at a May 30 press conference in Washington.

CCS is seriously studying proposals to:

- Legally erode the separation of powers now existing in the Constitution between the executive and legislative branches of government;

- Impose methods to remove the president from office short of impeachment;

- Permit the president to dissolve Congress and call for new congressional elections;

- Facilitate treaty ratification by requiring a simple majority rather than two-thirds majority of the Senate;

- Study possible Constitutional reforms in the area of federal and state powers and regional organization, keeping in mind "the need for regional forms of government in metropolitan areas that cross state lines";

- Examine proposals to have U.S. taxpayers finance House and Senate elections; and

- Delete the requirement in the Constitution that revenue-raising bills originate in the House, "since in actual practice they also originate in the Senate."

CCS's plans for Constitutional reform are timely: 32 states have petitioned Congress for a Constitutional convention to ostensibly balance the budget. Michigan may well soon become the 33rd state due to pressure from the National Taxpayers Union, and Califor-

nia's voters are expected to approve such a call on its November ballot.

That means on Election Day the 34th state could approve its petition for a convention, fulfilling the Constitutional requirement that once two-thirds of the states have so acted, Congress is forced to call the convention.

Well financed, well organized, and boasting a long list of supporters well known in Establishment circles, CCS predicts its recommendations can "stimulate a very active and constructive national dialog" during the 1987 bicentennial of the Constitution.

Among those listed on CCS's board of directors are: Robert McNamara, former secretary of defense; Lloyd Cutler, former counsel to President Ford and member of the Council on Foreign Relations and Trilateral Commission; C. Douglas Dillon, former treasury secretary under presidents Kennedy and Johnson; and former congressmen Jonathan Bingham, Richard Bolling, Robert McClory and Henry Reuss.

Also: former senators Nicholas Brady and J. William Fulbright; Sen. Nancy Kassebaum (R-Kan.); James Sundquist and Bruce MacLaury, senior fellow and president, respectively, of the Brookings Institution; and James MacGregor Burns, author of "The Power to Lead: The Crisis of the American Presidency" and enthusiast of parliamentary government.

Others, interested in attending CCS's third meeting on September 9-10 but unable to do so, include: David Rockefeller; Elliot Richardson, former secretary of defense; Sens. Daniel Patrick Moynihan (D-N.Y.), Lloyd Bentsen (D-Texas), Bob Dole (R-Kan.), Pete Domenici (R-N.M.), Carl Levin (D-Mich.), Charles Mathias (R-Md.) and Claiborne Pell (D-R.I.).

Also: Reps. Michael Barnes (D-Md.), Richard Cheney (R-Wyo.), John Dingell (D-Mich.), Thomas Foley (D-Wash.),



LLOYD CUTLER
... He's a CFR man.

Lee Hamilton (D-Ind.), Barbara Mikulski (D-Md.), Peter Rodino (D-N.J.), Patricia Schroeder (D-Colo.) and Jim Wright (D-Texas).

CRUCIAL ROLE

Rodino's interest in CCS is noteworthy because of the crucial role he is now playing in Congress on the Constitutional convention/balanced budget issue. If Congress does not pass a balanced budget amendment before its expected July adjournment, it seems inevitable—barring a serious drive by populists interested in preserving our Constitution to get states to repeal their calls to Congress—that a convention will be convened.

"Conservatives" in Congress, particularly members of Congressional Leaders United for a Balanced Budget (CLUBB), have predicted that the Republican-controlled Senate would pass a balanced budget amendment with little resistance, but that House "liberals" would hold up action, as they did in 1982.

Convention advocates have predicted that Rodino, who typically votes in the big spending, pro-social welfare, left-wing mode, would use his considerable powers as chairman of the House Judiciary Committee to foil efforts of "conservatives" to force Congress to act on the balanced budget amendment because he doesn't want to balance the budget.

What is more likely, however, is that Rodino is bottling up the amendment in committee to force the convening of a convention, a perfect opportunity for CCS and others to impose their Constitutional changes.

At the press conference, a representative of the Populist Party's national committee asked Cutler to respond to the opinion of Americans that the problems our nation faces are not a result of an antiquated Constitution, but rather are a consequence of our government, particularly Congress, acting in flagrant disobedience to the Constitution.

SUPREME LAW 'VAGUE'

Cutler answered that the Constitution was "vague" and subject to "wide inter-

pretation" by the Supreme Court. He refused to blame the public servants now serving in government. Although he is on record as supporting key aspects of parliamentary government in testimony before former Rep. Henry Reuss's Joint Economic Committee, according to a knowledgeable source, and as reported by "U.S. News & World Report," not to mention in minutes from CCS's meetings, Cutler denied that he endorsed a parliamentary system of government and said that others had merely "misinterpreted" him.

CCS's contention that inadequacies and defects in our Constitution, rather than the un-Constitutional actions and questionable motivations of our public servants, are responsible for the political crises facing our nation plays on the lack of understanding Americans have regarding their own Constitution.

"Our governmental problems do not lie with the quality or character of our elected representatives," says Dillon. "Rather they lie with a system which promotes divisiveness and makes it difficult, if not impossible, to develop truly national policies." He contends that the division of power between the president and the Congress "makes stalemate inevitable" and "no one" can place the blame.

INTENT DISCOVERED

When one studies James Madison's notes from the debates at the 1787 Constitutional convention, the ratifications of the states, and the "Federalist Papers," a complete understanding of the intent of our Founding Fathers can be discovered. It becomes clear that the Constitution mandates a separation of powers among the legislative, executive and judicial branches of government, and that our government is today violating this command.

For example, the Constitution gives lawmaking authority only to the Congress. In flagrant violation of this authorization, the executive branch routinely makes law—the president with his issuance of executive orders and agencies like the IRS through its codemaking as recorded in the "Federal Register"—and the judicial branch, through the Supreme Court's basing its decisions on public policy rather than expounding on the Founding Fathers' intent.

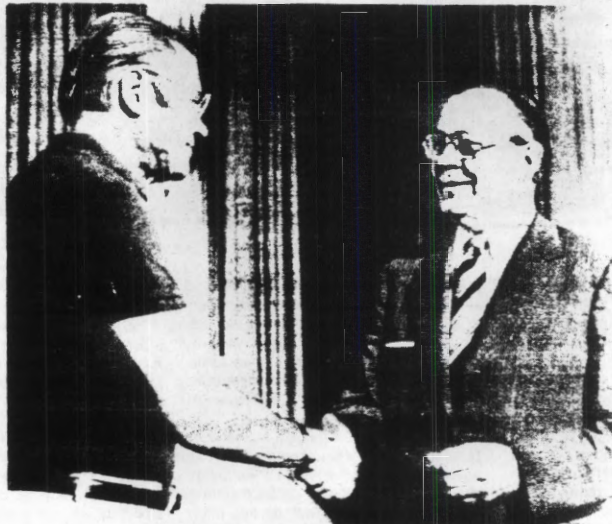
Rather than trying to get our government to practice this separation of powers mandate, CCS wants to legalize current practices and even expand on such activity, with proposals that echo the practices in countries possessing a parliamentary form of government.

Among such suggestions:

- Interlocking the executive and legislative branches by allowing the president to appoint members of Congress to some or all Cabinet positions. The thinking is that this system might promote teamwork between the president and Congress and facilitate public policy consensus;

- Creation of a joint executive-legislative council to involve congressional leaders in policymaking;

- Linking more closely the electoral fates of candidates for president and Congress by either increasing House



In this 1981 file photo, incoming World Bank President A.W. Clausen (right) shakes hands with his predecessor, Robert Strange McNamara.

52x

Fabric of U.S. Constitution

terms to four years with elections in presidential election years or by linking with a single vote the presidential and vice presidential candidates with House and perhaps Senate candidates;

- Giving Congress a greater role in the presidential nominating process as well as allowing members of Congress to serve as presidential electors;

- A discussion of the German system wherein a significant number of legislative seats are allocated on a proportional basis to the political parties that receive more than 5 percent of the vote. CCS reasons that allocating House seats on a similar at-large basis would increase the likelihood that the political party of the president would also control the House.

ENIGMAS CHARGE

Along these lines, CCS denies that it is trying to promote a parliamentary system by explaining: "In a parliamentary system, the chief executive is selected on the parliament (legislature). The U.S. tradition of a chief executive elected from the nation as a whole has worked well in general and has strong public support. It should be preserved."

Contrary to this statement, CCS is nonetheless exploring such a reform. At CCS meeting, J. William Fulbright, member of the board of directors, strongly supported the suggestion to change the Constitution to remove the prohibition against members of Congress serving as electors to enable Congress to play a large role in electing the president.

In response, Cutler said that he and any in CCS preferred to enhance the power of a party's congressional candidates and the holdover senators in electing the presidential candidate of that party.

On the question of whether CCS could try to implement its proposals at a possible Constitutional convention, the group says: "If a Constitutional convention is called for a balanced budget amendment and is opened up to broader matters . . . such carefully-researched structural amendments as the committee may produce could contribute to a constructive convention."

CCS has held numerous national and regional meetings and will conduct further meetings in preparation for a tentative September, 1985 unveiling of their final plans. The committee says it wants to give Congress, the states and the national political parties enough time to study CCS's recommendations in preparation for the 1987 bicentennial.



J. William Fulbright wants Congress to elect the president.

A fundamental feature of the parliamentary system is the dissolution of the legislature, which CCS is seriously considering. This could be done by amending the Constitution to allow the president to dissolve Congress and call for new congressional elections. A president frustrated by an uncooperative Congress would find this a powerful weapon because even if not used, the simple threat of congressional dissolution would keep many members in line. Congress could also be given "compensating enhancements" along with four-year terms.

CCS is studying the possibility of removing the president from office for reasons of ineffectiveness. The only way a president can now be forced from office, aside from losing a re-election bid, is through impeachment for committing high crimes and misdemeanors.

Professor Donald Robinson of Smith College, who is editing CCS's "workbook," acknowledges that the Founding Fathers restricted the removal of the president to impeachment because they wanted to keep the president immune from politics so laws, once made, could be administered in a non-political way. But Robinson says this philosophy "has changed with time . . . the modern presidency cannot be a non-political office."

CCS has also discussed the possibility of a six-year presidential term, now practiced in Mexico, which has a one-party system. Also under consideration is repeal of the Constitution's 22nd Amendment, which limits the presidency to two terms.

One proposal that the CCS panel charged with discussing budget matters was in complete agreement on was that there was no need for a Constitutional amendment requiring a balanced budget—which is the precise reason why "conservatives" have been pushing for a Constitutional convention. The panel concluded that this "does not have to be in the Constitution to be achieved."

Robert McClory, former congressman from Illinois, is on record as believing that the framers of the Constitution assumed that "of course" we will "balance the budget each year."

UNAWARE

The CCS panel, and particularly McClory, either do not know or do not care that the Constitution already mandates a balanced budget. Our Founding Fathers

wanted to extinguish the debt each fiscal year by requiring Congress to, whenever enough revenues had not been collected through imposts, excises, and duties to pay its expenditures, apportion among the states according to their congressional representation the remaining needed taxes.

This requirement—Article I, Section 2 of the Constitution—has never been repealed and Congress is still required to invoke it to balance the budget. CCS is now financed on a tax-deductible

basis through contributions to the left-wing Brookings Institution, which is tax exempt. Cutler says that once CCS is incorporated, it would apply for a tax exemption under Section 501(c)(3) of the IRS code. It could then receive contributions and membership fees that would be tax deductible.

Detailed planning for CCS began in 1982 with contributions from the Dillon fund. Since then grants have been made by the American Express and Hewlett Foundations and by David Rockefeller.

A final meeting of CCS's review group is set to be held September, 1985. In its words, "most appropriately at Independence Hall to act on any regional group suggestions and agree on a final recommendation."

This will be followed by a final meeting of the full committee, which is to act on these recommendations and, "if appropriate," submit them to Congress. And if they are approved, they would be submitted for ratification to state legislatures or conventions.

CCS anticipates that the "public will need to understand why" the Constitution is being amended. It plans a program of general education including media coverage and activity by appropriate organizations. A major lobbying effort would also be pursued to convince Congress and the states to adopt such Constitutional changes.

HONOR THE CONSTITUTION

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Congress Lies to You About

REPRINTED FROM THE SPOTLIGHT, AUGUST 19, 1985

By Trisha Katson

Congress is "pulling a fast one on the American public" by leading people to believe it can limit the proceedings of a Constitutional convention specifically to a balanced budget amendment.

That was the viewpoint of two Constitutional experts who testified before the House Judiciary Subcommittee on Civil and Constitutional Rights on July 31. The two legal scholars were professors Walter Dellinger (of Duke University Law School in Durham, North Carolina) and Gerald Gunther (Stanford Law School in Palo Alto, California). Gunther said the attitude by members of Congress that it could control and approve whatever comes out of a Constitutional convention and dictate its agenda is due to Congress's "institutional egomania."

Arguing that a "Con con" could be limited was Dean John Feerick (of Fordham Law School in the Bronx, New York), basing his testimony on a 1973 American Bar Association special committee report.

The testimony of both Gunther and Dellinger brought into serious question the validity of congressional legislation that purports to set guidelines for a Constitutional convention. Such a bill, entitled "The Constitutional Convention Implementation Act of 1985" (S. 40), has been approved by the Senate Judiciary Committee. The measure, in these scholars' opinions, goes beyond the purview of a single balanced budget amendment by making reference to any "subject matter" discussed at a Con con.

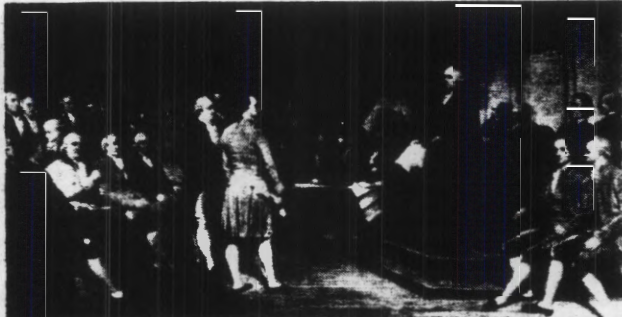
Referring to the wording of the 32 petitions sent by the states to Congress calling for a Con con, Sen. Orrin Hatch (R-Utah) says: "To the extent that a petition was required to be precise, either with respect to the specific amendment sought, or the specific language sought, there would be little use for the convention itself. To limit the convention to the consideration of a single, meticulously worded amendment is to make the convention a farce."

Gunther, who has spoken and written extensively on the uncertain circumstances surrounding a Con con, testified that there are no legitimate and effective means to limit a convention to a "single subject specified in advance." Regardless of what state petitions list as the subject matter for a Con con and what Congress directs, he said that ultimately the convention is empowered to set its own agenda.

"The convention delegates," he said, "will have a valid claim to consider and propose amendments on any subject of Constitutional dimension of concern to the electorate who chose them." He added that it would be "highly unlikely" Congress would question any unauthorized changes made in our Constitution in the ratification process.

PRIMARY ROLE?

Feerick, who participated in the 1971 commission set up by the ABA, argued that Article V of the Constitution delegates to Congress a "primary role" in deciding whether or not to ratify whatever emerges from a Con con.



George Washington is depicted presiding in Philadelphia in 1787 at the first (and only) Constitutional convention in this 1856 painting by James B. Stearns.

Actually, Article V's wording says that amendments approved by a Con con need only be approved by three-fourths of the state legislatures or state conventions, and that Congress is only empowered to select the mode of ratification: by state convention or state legislature. It says nothing about Congress giving its own stamp of approval or rejection notice during the ratification process.

Other points brought out by Gunther:

- An examination of the text, history and structure of Article V indicates that the Con con was to be a genuinely deliberative body with considerable autonomy, entitled to consider all major Constitutional issues of concern to the nation at the time of delegate selection, and not controllable by the applying states or Congress;

- Convention delegates will probably be chosen in popular elections outside of congressional control. Interest groups would raise issues other than the specified one. Delegates could plausibly argue that they were charged with considering Constitutional issues perceived as major concerns by the American people who elected them.

- Congress is given the responsibilities to call a convention when 34 states have applied for one and to "set up housekeeping details regarding the receipt of applications and the convening of the convention," and to choose the mode of ratification.

Dellinger said: "Virtually everyone (supporters as well as opponents of holding a convention) now concedes that it would be either impractical or unconstitutional to limit the convention as the state legislative petitions specify." As examples he named the Senate Judiciary Committee and the National Taxpayers Union, which for the last 10 years has publicly been the main force behind the Con-con effort.

Dellinger also noted: "The framers of Article V of the existing U.S. Constitution clearly intended that the Con con was to be 'free of the control of existing governmental institutions,' whether the state legislatures or Congress.

- All of the 32 state Con-con calls would be invalid under S. 40 because the applications refer specifically to a balanced budget amendment, while the Hatch bill refers to broader subject matter.

- Six state applications say their

calls are to be null and void if a Con con extends beyond the subject of a balanced budget amendment.

CHANGING THEIR TUNE

Dellinger said state legislatures that have passed Con-con petitions were assured by lobbying groups, including the National Taxpayers Union and the National Tax Limitation Committee, that a Con con could be limited to a balanced budget amendment. But now that the last two states are within sight, he said, these groups "are changing their story. What happened to the assurances that were given to the state legislatures back in 1979 that a convention could consider only the amendment contained in the state legislative proposal?"

Feerick argued that a Con con can be limited. However, the American Bar Association report states: "While we believe that Congress has the power to establish standards for making available to the states a limited convention when they petition for that type of convention, we consider it essential that implementing legislation not preclude the states from applying for a general convention."

"Legislation that did so would be of questionable validity since neither the language nor history of Article V reveals an intention to prohibit another general convention."

A state application would not be "proper," Feerick said, if it called for a Con con for the purposes of voting on a specific amendment since a Con con "should have latitude to amend, as Congress does, by evaluating and dealing with a problem."

Feerick's testimony came from the 1973 study and he seemed to lack any update on the issue. It has been since that time that all 32 state petitions have been filed with Congress. Feerick said he was not familiar with the wording of the petitions.

SERIOUS SUBJECT

Although Rep. Don Edwards (D-Calif.) is the subcommittee chairman, he was only present for a short period; Rep. Charles Schumer (D-N.Y.) sat in as acting chairman. Subcommittee members acknowledged the seriousness of the subject. Rep. F. James Sensenbrenner Jr. (R-Wis.) called the Con con "the most important piece of legislation this subcommittee and Congress will confront this year."

Schumer said he "might sleep better

at night" if he were as confident as some that a Con con would be limited to a single subject. Rep. Robert Kastenmeier (D-Wis.) argued that "to empower a new arm of government (the Con con) with unlimited power to rewrite the Constitution is a threatening matter."

Gunther said he became interested in this issue when he heard former California Gov. Jerry Brown endorse a Con con after passage of a tax limitation amendment in his state. Gunther recalled that Brown gave assurances that he had checked with "every Constitutional scholar in California" and been repeatedly told that, without doubt, a Con con could be limited to a single subject.

But Gunther discovered Brown had not been so thorough and that his guarantee of a limited Con con was based on a single memo giving split opinions on the question.

On the issue of the time limitation of the validity of the state petitions, Gunther said seven years is a "universal recognized principle" and chided Hatch's bill for including a "grandfather clause" allowing seven years from the date of passage of a state petition "plus whatever it takes to get the petitions passed." He said most of the states passing Con-con calls "acted in ignorance."

Schumer said the subcommittee would hold at least one more hearing on the subject before it takes any action.

NULL AND VOID?

Dellinger said he asked National Taxpayer Union Chairman Jim Davidson: "A Con con would be limited to one issue and he said no. The petition of the state of Idaho, Dellinger noted, indicated it was 'not completely assured by a snake oil salesman who lobbied them.' He cited the specific wording of the petition to Congress that it wanted a Con con for the "specific and exclusive purpose of a balanced budget amendment."

The petition says that the call is null and void if the Con con goes beyond that.

Six states have such "null and void" provisions in them: Colorado, Delaware, Louisiana, Idaho, North Carolina and Utah. However, this language



ROBERT KASTENMEIER
... Con con a "threatening matter."

5th

Who Will Control a Con Con



JIM DAVIDSON
... "No limits" on Con con.

ich Dellinger says is crystal clear, is confined by a libertarian-laissez-faire ink tank, the Cato Institute, which uses that such language is "surplus-" that "must be disregarded." Davidson, in an interview with The OTLIGHT, revealed he was sympathetic to the libertarian view, and nerous individuals associated with National Taxpayers Union have eed with libertarian and/or anar-ic ideology (SPOTLIGHT, March

errick said that many state constitutional conventions have been held and t he was "not aware that they had problems." However, as revealed in SPOTLIGHT (Aug. 6, 1984), New Hampshire held a con con last year rein all the major committees and -con business were controlled by ers, judges and members of the e Legislature. he American Bar Association argued : it would be desirable to include in menting legislation a "limited icial review of congressional dete-erations made in the convention pro-." This was criticized by Gunther, o argued that this judicial review ould be conducted by the Supreme rt, part of the national government. ch would be contrary to the intent of framers of the U.S. Constitution: ould be an example of another nch of government squelching ac- of the states." Dellinger said the ABA report was in- sistent with Article V and that the a of Congress's passing judgment on product of a Con con "trivializes" framers' intent and is "fundamental- nconsistent with the purpose of hav- a Constitutional convention." Dellinger and Gunther basically con- red with each other. But they differed the validity of state applications to ngress for a Con con. While Dellinger d petitions that stated they would be l and void should a Con con go ound a specific amendment would be alid, Gunther said they would still be id because the Con con itself would empowered to do what it wants.

Some of the states that have passed Con-con calls never had any public hearings on the matter. The National Taxpayers Union claimed to "have poor records, stating only that "at least 20 hearings" had been held.

Dellinger said 1979 marked the first public hearings on the issue.

Gunther estimated that more than 20 of the 32 applications before Congress were adopted in 1978 or earlier. This means that at the most 12 of the 32 petitions to Congress were passed with any public hearings.

According to Gunther, no states passing petitions to Congress calling for a Con con prior to 1979 held any public hearings (SPOTLIGHT, June 11, 1984). These states are: Alabama, Colorado, Delaware, Florida, Georgia, Kansas, Maryland, Mississippi, Nebraska, New Mexico, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Virginia and Wyoming.

Arizona, Louisiana and Nevada, according to the NTU, passed Con-con resolutions again in 1979 and it is possible no hearings were held at that time either. Arkansas, Idaho, Indiana, Iowa, New Hampshire, North Carolina, South Dakota and Utah are listed as passing Con-con calls in 1979. Information on whether public hearings were held in those states is unavailable at this time.

Gunther called the Hatch bill a "badly flawed product of 10 to 12 years' off-and-on attention." In discussions during Senate Judiciary Committee meetings, all committee members have acted and spoken as if they have unquestioned authority to dictate what a Con con can do and to approve or reject proposals decided on by a Con con.

The hearing testimony will, however, apparently not affect Rep. Larry Craig's (R-Idaho) efforts for a Constitutional convention on the issue of a balanced budget. Craig is the head of Congressional Leaders United for a Balanced Budget. Although Craig has been assuring constituents critical of his pro-Con-con position that the fear of a runaway convention is a "smokescreen," the congressman's administrative assistant says the testimony that a Con con cannot be limited is not new information.

"I don't want a convention," the spokesman told The SPOTLIGHT, "and I don't think we're ever going to have one. [However,] something like 'The Newstates Constitution of America' would never make it through the ratification process, nor would a parliamentary form of government."*

Does the congressman's aide believe, as does the ABA spokesman, that Article V says Congress has a primary role in deciding whether to choose to ratify whatever comes out of a Con con? "In explicit terms, Article V doesn't say that," said Craig's staff member. "That would depend on what the convening legislation [Hatch's implementation bill] says."

The NTU, which was accused by Gun-

ther and Dellinger of being "snake oil salesmen" deceiving state legislatures into believing that there is no danger of a runaway Con con, was reluctant to comment on the hearing. Adrienne Cordova, NTU director of public affairs, said no one from the group attended the hearing due to a schedule conflict, this despite the fact that the NTU has publicly been the group in the forefront of pushing for a Con con for the last 10 years. Miss Cordova said she did not feel comfortable about responding to the charges against NTU until she reads the testimony herself. She acknowledged there is a conflict of opinion among legal scholars on the issue of whether a Con con can be limited.

However, the NTU has flatly stated in its literature over the years that a Con con can be limited and that any talk of a runaway convention is a smokescreen used by those opposed to a balanced budget.

The NTU was not the only proponent of a Con con that missed the hearing. No member from Craig's staff attended. The Washington "Times," which has editorialized extensively over the past few years in favor of a balanced budget amendment and a Con con, had a reporter at the hearing but failed to report on it in the newspaper.

According to "Times" reporter Tom Brandt: "We didn't have time to produce a story on the hearing. There was a time and space crunch. [Besides,] it was not a pivotal hearing." But the "Times" did run an article the next day about a seminar by the Cato Institute, supporting a Con con.

September, by all accounts, will be the crucial month on the issue of the balanced budget amendment and Con con. Schumer says there's a "good chance" Michigan will approve its petition to Congress, thus becoming the 33rd state to demand a Con con. The Senate is also expected to debate both the balanced budget amendments. Two such amendments (differing versions) passed the Judiciary Committee, as well as Hatch's Con con implementation act (S. 40).

BILL PROVISIONS

Hatch's bill, cosponsored by Sens. Dennis DeConcini (D-Ariz.) and Strom Thurmond (R-S.C.), provides:

- Within 45 days after Congress

decides that a sufficient number of valid petitions to call a Con con have been sent by the states, Congress must pass a concurrent resolution calling for such a convention. This resolution will set the time and place of the meeting and indicate the "subject matter of the amendment or amendments" for consideration.

- Delegates will be elected in the manner of Congress's representation: two at large from each state and one from each congressional district. Members of Congress and those "holding an office of trust or profit under the United States" will not be permitted to be delegates. Delegates will "in all cases, except treason, felony and breach of the peace, be privileged from arrest" and "shall not be questioned in any other place" on anything said at the Con con.

- The president of the Senate and the speaker of the House (now George Bush and Tip O'Neill, respectively) will convene the Con con and preside until delegates elect an officer.

- Delegates will take an oath to "comply with" the Constitution.

- Delegates will get paid a salary equal to that of members of Congress, as well as any travel expenses—from the U.S. treasury. If such sums are not available, the costs will be "apportioned" among the states.

- Procedurally, each delegate has one vote. Minutes will be kept (in the tradition of James Madison's notes on the 1787 convention), and the Con con will meet for no longer than six months unless Congress passes a resolution extending that time.

- No amendments may be proposed other than the "subject matter" stated in Congress's concurrent resolution calling the Con con.

- Upon notification of the Con con's actions, Congress must within six months decide, as provided by Article V, what mode of ratification it prefers, or reject the Con con's proposals. If Congress refuses to facilitate the ratification process and the states believe the Con con's proposals are consistent with Congress's original orders, the states can file a lawsuit.

- Proposed amendments become law upon ratification of three-fourths of the states and any state can rescind its ratification up until that time.

States Calling for Balanced Budget Amendment
Under Article V of the U.S. Constitution



*"The Newstates Constitution," an Establishment blueprint for imposing a dictatorship on America, is available from Liberty Library; one for \$3, three for \$6 or 10 or more at \$1.50 apiece; 300 Independence Ave., SE, Washington, D.C. 20003.

You Need to Know Who's Out

REPRINTED FROM THE SPOTLIGHT, JUNE 14, 1984

By Trisha Katson

There is increasing evidence that the drive for a Constitutional convention is not simply an effort by "conservatives" who want to "balance the budget" but is instead a covert attempt to destroy the U.S. Constitution and replace it with a Soviet or British parliamentary-style constitution.

Thirty-two states have petitioned Congress to call for a Constitutional convention for the purpose of passing a balanced budget/tax limitation amendment. Michigan's state Senate has approved the petition to Congress and enough signatures have been collected to place the convention issue on the ballot in California in November.

If Michigan, or any of the remaining 17 states, passes its convention petition, thus becoming the 33rd state to do so, and no other state follows suit, then California will be the 34th state to call for a convention. This would fulfill the Constitutional requirement that two-thirds of the states must file petitions to force Congress to call the convention.

If California voters OK the petition for a convention, the state Legislature must pass the measure or suffer loss in salary. This California referendum initiative will get a lot of publicity, but will misrepresent the actual grass-roots support for a Constitutional convention.

Some of the state legislatures that have passed petitions to Congress for a convention did not even hold public hearings. Exact figures are difficult to obtain. The National Taxpayers Union (NTU), the group spearheading the move for a Constitutional convention for the last nine years, claims to not have accurate records as to when states held hearings, debate and recorded votes on the issue.

According to David Keating, who handles the balanced budget amendment for NTU, "at least 20 public hearings were held" and some states passed the petitions by voice vote. "A voice vote

just means it was passed unanimously," he said.

Since 32 states have petitioned Congress, and only 20 public hearings were held, a minimum of 12 states have never even had hearings on the subject of a Constitutional convention. That number may be even higher since some states could have held more than one hearing, but an exact figure is not available, according to the NTU, because "the states haven't kept very good records."

BRING INTO OPEN

Proponents of a Constitutional convention, notably Rep. Larry Craig (R-Idaho), leader of Congressional Leaders United for a Balanced Budget (CLUBB), defend their position by pointing out how polls indicate that 70-80 percent of Americans want Congress to balance the budget. But do these same Americans also want a Constitutional convention?

Not only have Americans not been so polled, but it is more than likely that 70-80 percent of Americans are not even aware that within months Congress may be calling for the convening of a Constitutional convention.

If the move for a convention is a legitimate effort by "conservatives" to balance the budget, why doesn't President Ronald Reagan make a nationwide address to discuss the fact that a convention is imminent? Why isn't this issue being openly discussed and debated in the national media if there is no underhanded motive? Why do so few, aside from certain Washington circles and nationwide patriotic groups, even know about the convention?

If there is nothing to hide, why did NTU Treasurer William Bonner admit he wished former California Governor Jerry Brown had not publicized his support for a convention?

"There is no point in heating things up," said Bonner. "When Brown announced, we had to go more public. It would have been better to let a sleeping dog lie."

When NTU founder Jim Davidson was asked whether a convention could



LARRY CRAIG
... Amendment sponsor.

One more state passes its petition to Congress, he would personally try to get a state to rescind its call. Ron Paul said he thought the balanced budget amendment was "worthless" but that he supported the convention call "for public relations reasons."

There is cause for concern even if Congress passes its own balanced budget amendment before its expected July adjournment date, thus avoiding a Constitutional convention. The amendment itself is not only fraudulent, because it does not require a balanced budget; nor limit taxes, but it also contains wording that would be damaging if added to our Constitution.

BIG SCAM

If Congress passes any amendment this year, it will be S.J.R. 5/H.J.R. 243, identical measures, which both continue to let Congress borrow. One of the biggest scams that the taxpayer has to finance is the U.S. government securities and bonds issued when the government borrows money. These T-bills and T-notes are issued by and large to banks and other wealthy groups and individuals at no risk to the investor.

These investments are encouraged by Reagan, who directs Americans to "take stock in America."

If he were truly interested in Americans' taking stock in America, he would encourage investments in our failing industries, which would be a real risk. Instead, the average American, who cannot afford to invest himself, has to pay dividends on these government securities to the wealthy, and theoretically, has to pay the principal when these bonds are redeemed.

The balanced budget amendment would, if added to our Constitution, legalize this swindle of taxpayers. There are many other negative aspects of the balanced budget amendment (SPOTLIGHT, March 19).

SOVIET LINKS

Information linking proponents of the balanced budget amendment Constitutional convention to British and/or Soviet influences should be of concern to all Americans interested in preserving our Constitution.

The National Taxpayers Union, the group mostly responsible for the states petitioning Congress to call a Constitutional convention, should be investigated more closely to reveal whether their push for a convention goes beyond a desire to "balance the budget."

Several members of NTU's original board of advisers included Noam Chomsky, a leader of the anti-Vietnam War movement; Ernie Fitzgerald, a 1960 "whistle blower" on defense waste; and Karl Hess III. All three had close ties with the Institute for Policy Studies (IPS), a liberal think tank. In 1982, IPS hosted a gathering in Minneapolis of Soviet scientists and KGB agents. Also included on this advisory board was Murray Rothbard, a noted libertarian economist. (NTU is generally thought to espouse libertarian viewpoints.)

NTU's founder, Jim Davidson, who is now canvassing the states to get a 33rd state to petition Congress, was educated at Oxford University and now co-edits the newsletter "London Washington Re-

be restricted to just the balanced budget issue, he answered that it could but didn't want to explain how to end deficit spending: "Let's get the Constitutional restriction and then let's argue later about what programs get cut or what taxes get raised."

REASON TO FEAR

There is good reason for patriots to fear that the drive for a Constitutional convention is actually an attempt to destroy our Constitution by legalizing what the government has already done. First of all, the Constitution already mandates that the budget be balanced.

Liberty Lobby, the Washington-based populist institution, learned of our Founding Fathers' formula to balance the budget through Ed Ellison and John Kurovski, two patriotic Americans who have been studying the Constitution. They have given this formula the name "the state rate tax." This documentation has been presented to members of Congress and their aides to demonstrate that the Constitution already mandates a balanced budget. For many legislators, including Rep. Larry Craig and Rep. Ron Paul (R-Texas), this was new information that they did not know.

"POLITICAL REALITIES"

Although no legislator or staff member has been able to refute any of the facts presented them that the Constitution already mandates a balanced budget, not one will publicly support the state rate tax or convey to Americans this information. The most common excuse for remaining silent is that "political realities" are such that the formula could never be invoked, or that it would be "impractical" to do so.

The aides to several members of CLUBB admitted that it was unlikely that their bosses could back away from supporting the call for a Constitutional convention to balance the budget because "it wouldn't look good to admit he was wrong after all the time and energy he invested."

A number of CLUBB members claim they really want Congress to pass its own amendment and that the idea of a Constitutional convention frightens them. Rep. Mickey Edwards (R-Okla.) said if

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Wreck the U.S. Constitution

with Sir William Rees-Mogg.

UCE AMERICA

ere are those who believe that some sh have never given up on once n reducing America to one of their nies, strange as it may seem. Efforts old a convention to revise the Con- tion began as early as 1788—a year its ratification. The first attempt made by Albert Gallatin, best vn as treasury secretary to Thomas rson. Gallatin, an immigrant from erland, came from an oligarchic y with ties to British intelligence. reason Gallatin wanted a conven- was the same those promoting a ention today give: that Congress pending too much, resulting in a al debt that must be reduced, and ed needed restraints imposed to cut dget.

olitical theories of Gallatin, in- g "fiscal conservatism" and the f "cost-effectiveness" are carried day by such "conservatives" as mist Milton Friedman, Federal ve Board Chairman Paul Volcker tep. Jack Kemp (R-N.Y.). These duals, and in fact, most Republi- d "conservatives" today, are not sing American economic principles e rather promoting British mone-

dman began pushing the concept "flat rate tax" back in the early along with a Constitutional ment to balance the budget.

ION

endorsing the call for a Constitu- tion convention to balance the budget ard Viguerie's Populist Conser- Tax Coalition, which includes an la of about 75 other conservative s, including Howard Phillips. "conservative" groups also pro- flat rate tax (un-Constitutional e it allows wages and salaries to d, and dangerous because it could ed up to whatever percentage is ! very easily) and fraudulent ed budget amendments, and have cently formed a public alliance "conservative" party in Israel. r groups interested in rewriting nstitution include the Committee Constitutional System, which in- its membership Robert nara, Lloyd Cutler and Douglas



JERRY BROWN
ould former California governor pt his mouth shut about his sup- Con con?

Dillon. They'd like to change our form of government from a republic to a parliamentary democracy and plan to unveil their program by 1987—exactly 200 years after our first and only Constitutional convention.

IN THE WINGS

Rexford Guy Tugwell's "Newstates Constitution of America" is waiting in the wings should a convention be held. It was promoted by the tax-exempt foundation known as the Center for the Study of Democratic Institutions. A copy of that model constitution, which makes the practice of religion a privilege and certain freedoms usurped from the people at the whim of government, is available, along with a line-by-line analysis, from The SPOTLIGHT.

The Center for the Study of Democratic Institutions has now changed its name to the Aspen Institute for Humanistic Studies, but it has not changed its desire to scrap the U.S. Constitution. In a 1978 interview, the institute's President Joseph Slater remarked that, "In the next decades, not just years, we will be concerned with a fundamental review of the U.S. 'Constitution'—with a small and big 'c'."

Questioned on Tugwell's book "The Emerging Constitution," Slater replied: "I have read some of it. I do not subscribe to some of the proposals. The fact that he has written it makes it interesting material to review a many of us go forward and look at that particular thesis."

INFLUENCE

To those who would dismiss the Aspen Institute as a non-influential think tank, consider some of the members on its National Commission on Coping with Interdependence: Henry Kissinger, who recently led the Central American commission whose report Sen. Jesse Helms (R-N.C.) has exposed as a blueprint for socialism financed by the U.S. taxpayer, and Daniel Boorstin, former member of the Communist Party who is now the librarian of Congress. Also friendly with the institute is the ubiquitous Robert McNamara.

Its chairman is Robert O. Anderson, who funded a group called Citizens for America. That group is led by Lewis Lehrman, a board member of the Heritage Foundation. Lehrman cowrote the book "The Case for Gold" with Rep. Ron Paul.

COMMISSIONERS RULE

Helmet Kimpel, president of the World Service Authority, which advocates global government, said in a January interview that he favored a Constitutional convention to rewrite our Constitution. He said he was undecided as to what vehicle encompassing a global parliament that could pass laws superceding those of other nations, with "commissioners" administering world government.

Economists pushing for a national industrial policy have advocated the use of such commissioners. Such an industrial policy, where the government would join with leaders of industry and labor to dictate industrial policy, is gaining widespread support in Congress.

Other groups advocating new consti- tutions include the World Future Socie-

ty, which is having a "one-worlders" convention in Washington in June, and the Association to Unite the Democracies, which is endorsed by Sen. Barry Goldwater (R-Ariz.).

ARGUMENTS WRONG

Two points that Constitutional Convention advocates mention to calm fears of a runaway convention are that whatever comes out of a convention would have to be approved by Congress and by three-fourths of the state legislatures, and that neither would likely approve anything that would usurp our rights guaranteed by the Constitution.

But their arguments are incorrect: Article V of the Constitution, which provides for the amending of the Constitution, excludes Congress from ratifying anything emerging from a convention.

But Congress does have the power to decide the mode of ratification, which means it can decide to have whatever document emerges from a convention to be ratified by state conventions rather than by state legislatures.

The only precedent we have for what might happen at a Constitutional convention is the 1787 convention. The delegates were instructed to amend the Articles of Confederation in specific ways, but once behind closed doors, they illegally exceeded the authority granted to them and ended up throwing away the Articles and writing an entirely



JACK KEMP

... Promotes British monetarism.

new document, our U.S. Constitution. The convention proceedings were held in secret, and Madison's notes, the most accurate record of the convention, were not released until 30 years later.

And finally, would a Constitutional convention be an opportunity for "the people" to participate in the political process?

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Amendment to Balance the Budget Will Not Do What Its Backers Claim

REPRINTED FROM THE SPOTLIGHT, APRIL 25, 1986

By Louise Privateer

Most of the groups and individuals who favor calling a Constitutional convention claim they take this position to put pressure on Congress to pass a balanced budget amendment. Congress, they argue, will only act if one more state, the 33rd, passes a resolution demanding that a "Con con" be called.

Disregarding for the moment the ominous potential consequences of a runaway convention, let's examine the so-called balanced budget amendment that these groups and legislators—who claim to be conservatives—are promoting.

Will it really balance the budget? Will it make Congress fiscally accountable? Will it end federal deficit spending? Will it work any of the wonders its proponents contend it will?

The answer to all the above questions is "no." The balanced budget amendment is a complete fraud. And those groups and individuals pushing it—including the National Taxpayers Union; Terry Dolan, chairman of Taxpayers for a Balanced Budget; Conservative Caucus; Richard Viguerie; the National Tax Limitation Committee; and Congressional Leaders United for a Balanced Budget, led by Rep. Larry Craig (R-Idaho)—are continuing to promote this fraud despite the fact that they have all been provided with the documentation outlining our Founding Fathers' formula to balance the budget.

CONSTITUTIONAL METHOD

This Constitutional method to balance the budget, which has been utilized successfully in our nation's history, can be found in the debates of the 1787 Constitutional convention, the "Federalist" papers and the states' ratifications of the Constitution and similar resources.

The balanced budgeters have ignored this and continue to insist on promoting the fraudulent balanced budget amendment and a Con con at which our Constitution could be rewritten and our whole structure of government could be changed.

There are two different versions of the

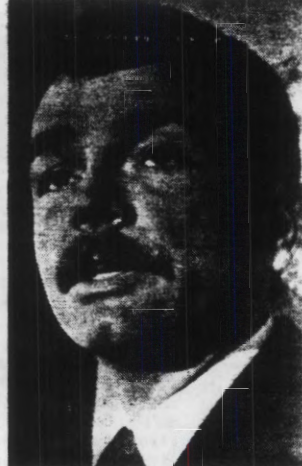


STROM THURMOND
... Senate bill defeated.



RICHARD VIGUERIE

... Big backers of balanced budget amendment.



TERRY DOLAN

balanced budget amendment that have garnered the most support in Congress. In the Senate, the recently defeated S.J. Res. 225, introduced by Sen. Strom Thurmond (R-S.C.), states that outlays for any fiscal year shall not exceed receipts unless three-fifths of both the House and Senate vote otherwise. This mandate would be waived if a war were declared.

In the House, the balanced budget amendment with the most support has not only not made it to a vote, but hearings have not yet been held on it. Yet H.J. Res. 27, introduced by Craig, has 220 co-sponsors. Craig's amendment is more blatantly fraudulent. It states that Congress will adopt a statement of receipts and outlays in which both will be equal, but that this can be overturned by approval of three-fifths of Congress.

It attempts to limit taxes by a rate not greater than the rate of increase in national income—whatever that is—again unless three-fifths of Congress decides differently. It proposes that the president submit a balanced budget to Congress—something Ronald Reagan has not done since he has been in office—and waives all restrictions if a war is declared.

One section excludes borrowing from the definition of "receipts." How can you balance the budget if the government is still allowed to borrow? Deficit spending is caused by borrowing by the federal government.

The sponsor of the same balanced budget amendment now being promoted by Craig was former Rep. Barber Conable (R-N.Y.)—now the nominee for president of the World Bank.

NO REAL CHANGE

Neither the Senate nor the House amendment would do anything to make Congress fiscally accountable. It would not end the tremendous wasteful spending—whether military or domestic.

Congress is so completely controlled by special interests that it would prob-

ably continue to allow defense contractors to rip off taxpayers with \$7,000 coffee pots and \$600 toilet seats. Half of our defense budget would still go to defending other nations. The public housing programs, which are a scam for bankers, real estate speculators and building contractors, would continue.

Interest to the bankers—the third-largest item in our budget—would still be paid. Foreign aid to governments oppressing their people would go on. And so forth.

Neither the Senate nor the House amendment would preclude Congress from authorizing agreements that guarantee loans. Such loan guarantees, along with the monetizing of foreign debt, have resulted in our actual national debt of \$13 trillion—far higher than the "\$2-trillion" figure commonly recited.

If Congress disobeyed the amendment and refused to balance the budget, what recourse would Americans have? Not much, if any. The Senate Judiciary Committee report on the amendment states that taking a senator or congressman, or the entire Congress, to court would be extremely difficult because there would rarely, if ever, be "legal standing" in any group or individual to challenge such violations.

Even if such standing were granted, the courts might treat the issue as a political question and refer it to other branches of government. The courts would likely not find such issues justiciable in the sense of presenting the type of case to which judicial powers attach under the Constitution's Article III.

HIGHER TAXES

The staff of the Office of Management and Budget (OMB), which operates under President Reagan, released a study criticizing the balanced budget amendment. The OMB report said that the amendment is worded so as to provide a bias in favor of higher taxes, rather than cutting spending, to balance the budget.

More spending will be given off budget status to circumvent the amendment. As the OMB puts it, "The costs don't disappear; they're just not a part of the official budget but show up in prices instead."

Other loopholes that enable Congress to avoid dealing with fiscal policy realities, as noted in a Senate report, include "transferring responsibility to the public sector through the gimmicks of tax credits [and loan guarantees, which are] serious distortions in economic policymaking, leading to misleading information about actual budget policy, and less accountability to the public."

Every key term in the balanced budget amendment is undefined. The exact meaning of "outlays," "national income" or "receipts" is unknown, which could result in a nightmare in trying to enforce it. Outlays are often based on decisions to appropriate funds that are made years before.

The balanced budget amendment requires Congress to make an estimate of outlays and receipts at the beginning of each fiscal year, but in reality, projections of these amounts sharply differ from what happens by the end of the year. In the words of one critic, "It is impossible to guarantee congressional budget decisions at the beginning of a fiscal year will lead to a balanced budget at the end of the year."

Supporting the balanced budget amendment, particularly in this election year, is a politically expedient tool to use to get re-elected. But the question to be asked is: "Why have the balanced budget amendment advocates refused to give the public with the Constitutional method to balance the budget, which they—and every member of Congress and the Washington 'Post' and Washington 'Times' and others—have been provided with?"

As long as the fraudulent balanced budget amendment is promoted and our Constitution is ignored, deficit spending will continue and Congress will remain fiscally irresponsible. With the balanced budget amendment and the Constitutional convention hoopla, the American public is not being given the Constitutional solution.



BARBER CONABLE
... On way to World Bank.

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JOSEPH GONZALEZ
525 AVE. E.
BAYONNE, N.J. 07002

Bicentennial Plot

A scheme exists to "turn the founders upside down"

America is gearing up for the Bicentennial of the U.S. Constitution. From May 25th until September 17th of 1987, appropriate celebrations will mark the 200th anniversary of the Constitutional Convention that met in Philadelphia. Then will come the bicentennial dates for each of the ratifying state conventions. Other important events to be commemorated include the election of George Washington as our first President, the convening of the first Congress, and the ratification of the Bill of Rights to the U.S. Constitution. The last of these commemorations will occur on December 15, 1991, making our constitutional bicentennial a four-year tribute.

The tribute that is paid, however, may consist of something other than to the principles embodied in the Constitution; it may instead be a repudiation.

The founding principles of the Republic may be cast aside because there are powerful forces at work bent on changing our form of government. For many decades these same forces have helped to move America away from constitutional limitations toward an all-powerful state. They now hope to formalize radical changes that have already been taking place by rewriting the Constitution.

These entrenched powers are planning to use the occasion of the Constitution's bicentennial for a "reappraisal" of our nation's governmental system. And the radical changes that they recommend, as

Gary Benoit earned a Bachelor of Science magna cum laude from the University of Lowell (Massachusetts). Since 1977, he has served on the staff of The John Birch Society. At present, he is the director both of the Society's TRIM Committees (Tax Reform Immediately) and of Birch Research Inc.



Will we pass an undiluted U.S. Constitution to our children?

their "tribute" to the Founders, will be portrayed as reforms needed to modernize the Constitution and make government more efficient.

Fantastic? Not at all. In his 1984 book *The Power To Lead*, Professor James MacGregor Burns made this appraisal of our constitutional system: "Let us face reality. The framers [of the Constitution] have simply been too shrewd for us. They have outwitted us. They designed separated institutions that cannot be unified by mechanical linkages, frail bridges, tinkering. If we are to 'turn the founders upside down' — to put together what they put asunder — we must directly confront the constitutional structure they erected."

Burns is co-chairman of Project '87 (read: 1987). According to its literature, this prestigious private group is "dedicated to commemorating the Bicentennial of the United States Constitution by promoting public understanding and appraisal of this unique document." (Emphasis added.) Project '87 daims not to take positions on changing the Constitution. But that disclaimer hardly allays concern over what direction the group's "appraisal" of the Constitution is likely to take with Burns as co-chairman.

He is also a member of the board of directors of the Committee on the Constitutional System, another prestigious private group. The CCS was established for what it calls "a candid assessment" of our constitutional system. Unlike Project '87, however, this group is anxious to offer specific changes.

Changes to the Constitution can be made two ways: by the amendment process used for the last 200 years, or by a new constitutional convention. Under the present drive for a balanced-budget amendment, an unprecedented second constitutional convention could be called during the bicentennial era. Should this occur, the second convention could far exceed what balanced-budget proponents intend. It could be used, in fact, to write a new constitution, which is exactly what happened at the original convention of 1787. Only this time, instead of a dream coming true, the result could be a nightmare.

Without understanding our unique legacy of freedom, one cannot fully grasp the extent to which seemingly reasonable "reforms" — proposed by the Committee on the Constitutional System and by others — could repudiate the founding principles of our Republic. Nor can one properly realize how a second constitutional convention — portrayed as an innocent re-enactment of the first — could be used for that end.

The Founding Era

Adopted on July 4, 1776, the Declaration of Independence proclaimed: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, de-

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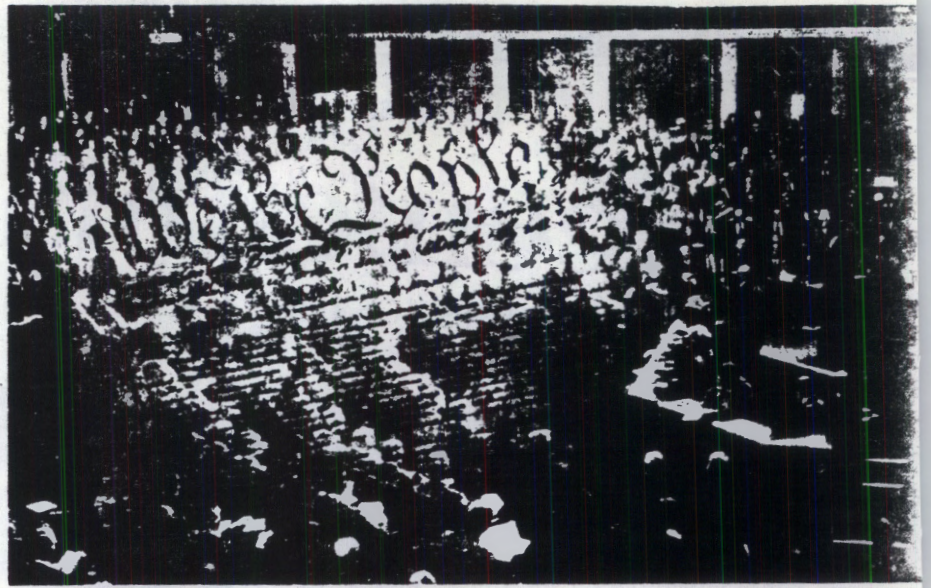
giving their just powers from the consent of the governed. That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute a new Government, laying its foundation on such principles”

That foundation for that new government based “on such Principles” was originally the Articles of Confederation. They were approved by the Congress after more than a year of debate. After ratification by every one of the newly independent thirteen United States, they became the supreme law of the land on March 1, 1781.

The Articles of Confederation created a “perpetual Union between the states” known as “The United States of America.” Under this confederacy, each state retained “its sovereignty, freedom, and independence, and every Power, Jurisdiction and right, which is not by this confederation expressly delegated to the United States” Also, “the Articles of this confederation shall be inviolably observed by every state, and the union shall be perpetual; nor shall any alteration at any time hereafter be made in any of them; unless such alteration be agreed to in a congress of the united states, and be afterwards confirmed by the legislatures of every state.”

Although the basic principles embodied in the Declaration of Independence have endured, that original constitution, the Articles of Confederation did not. It was short-lived because it failed to create sufficient order for the new union of states. The Articles were not inviolably observed by the states, nor was the union under their confederation perpetual.

When the states under this confederation began deliberations to remedy the defects in the Articles, they were at first primarily concerned with problems in the areas of trade and commerce. One such problem was a dispute between Maryland and Virginia over navigation rights on the Potomac River. In March 1785, George Washington, hoping that this dispute could be resolved through discussion, ~~hosted a meeting of delegates~~ from Maryland and Virginia at his home. Gathering at this Mount Vernon Conference, the delegates recommended that the two states meet annually “for keeping up harmony in the commercial relations” between them. Maryland’s delegates in approving this also decided to



invite to the annual meetings delegates from two other neighboring states, Delaware and Pennsylvania. Virginia, however, recommended a meeting of all the states “to take into consideration the trade of the United States” This led to the Annapolis Convention, which in turn set the stage for the Philadelphia Convention that drafted the Constitution.

Held in September of 1786, the Annapolis Convention was attended by delegates representing only five of the states. Because of the poor representation, the delegates decided not to proceed on what they called “the business of their mission.” Instead, they suggested that “the power of regulating trade is of such comprehensive extent, and will enter so far into the general System of the federal government, that to give it efficacy, and to obviate questions and doubts concerning its precise nature and limits, may require a correspondent adjustment of other parts of the Federal System.” They therefore recommended a meeting of the states that could consider not only trade, but “such further provisions as shall appear to them necessary to render the constitution adequate to the exigencies of the Union”

After evaluating the Annapolis Convention, the Continental Congress proposed that “a Convention of delegates who shall have been appointed by the several states be held at Philadelphia for the sole and express purpose of revising the Articles of Confederation” Although the scope of this meeting was to be broader than that of Annapolis, it was

still limited to proposing amendments to the Articles of Confederation.

The Philadelphia Convention opened on May 25, 1787, when a quorum of delegates representing a majority of the states had arrived. Eventually, a total of 55 delegates representing all of the states except Rhode Island participated.

The convention met behind closed doors for some four months. Secrecy was employed to allow for candid discussion and to make it easier for delegates to change their positions based upon the rightness and wrongness of each position debated, not on political considerations.

On June 19th, after debating various proposals, the delegates decided not to amend the Articles of Confederation, but to devise a new national government. From that point on, the assembly worked in violation of its own mandate. On September 17th, 39 of the 42 delegates who were present, representing all twelve state delegations, signed the new Constitution. After the Continental Congress received the proposed Constitution, some representatives sought to censure the constitutional convention for failing to abide by its mandate that allowed merely for revisions of the Articles of Confederation. Those favoring censure, however, were not in the majority. On September 28th, Congress resolved to submit the Constitution to special state conventions for ratification. All thirteen of the original states ratified it, the last to do so being Rhode Island on May 29, 1790. But the Continental Congress, on September 13, 1788, had already proclaimed the Constitution rati-

fied by the required nine states and ordered the new government to convene on March 4, 1789.

The Constitution, therefore, was the product of a runaway convention overstepping its authority. Nevertheless, the product was a blessing if not a miracle.

George Washington said of the event that it was "in the hand of God." At a critical point during the convention debate, when some nearly despaired of ever reaching any agreement, Benjamin Franklin, the oldest of the delegates, observed, "In the beginning of the Contest with Great Britain when we were sensible of the danger we had daily prayer in this room for the divine protection. — Our prayers, Sir, were heard, and they were graciously answered. . . . And have we now forgotten that powerful friend? Or do we imagine that we no longer need his assistance? I have lived, Sir, a long time, and the longer I live, the more convincing proofs I see of this truth — *that God Governs in the affairs of men*. And if a sparrow cannot fall to the ground without His notice, is it probable that an empire can rise without His aid?" (Emphasis in the original.)

That America did rise from a backward wilderness nation to become the envy of the collectivist old world is now fact. That God shed his Grace on this development is based on faith, but it is a faith held in common by all Americanists.

The Founding Principles

The Constitution provided for a stronger federal government than had existed under the Articles of Confederation. But under the Constitution, as under the Articles, the federal government was still strictly limited to specified powers that were delegated to it. To assure that the federal government would not overstep carefully crafted boundaries, the Founders methodically interwove into the Constitution a system of checks and balances that included:

- Dividing governmental powers between the national government and the autonomous state governments. This arrangement was unique in history and became known as Federalism.

- Granting only certain powers to the national government, while protecting the individual rights from infringement by any force, whether it be by government — foreign or domestic — or by the people themselves using the dictates of

a collective majority. This system of government is known as a Constitutional Republic. It is not a democracy, a system in which majority rule is unrestrained.

- And, separating the limited powers of the national government into three branches: Executive, Legislative, and Judicial. The Legislature was further divided into two chambers, the Senate and the House of Representatives.

By defining the specific powers of the new federal government, the Founders limited that body to its correct role of protecting God-given rights. By dividing those limited powers among the branches of government, the Founders denied to the national government a means to overstep its proper bounds and become tyrannical.

The Constitution that the Founders so carefully crafted gave us something extraordinary: a government of law and not of men. Under such law, the God-given rights of the individual are sovereign and immutable. They may not be violated by government, no matter how compelling the reasons to do so may seem. Neither may the majority do so, acting through their government for some supposed "greater good." The majority can conceivably demand a new law that infringes upon a God-given right, but Congress may not properly enact such an unconstitutional law. If Congress did overstep its authority, the Judicial Branch was empowered to nullify the act, to declare an improper law "unconstitutional." These limitations on the will of the people hold true no matter how large a majority may want otherwise.

For instance, the First Amendment of the Bill of Rights states: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances." And the Tenth Amendment states: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people." Under the Constitution, even a minority of one is protected from the desires of the majority acting through government.

Such principles were not embodied in the Declaration of Independence and Constitution by accident. But the out-

come could have been very different. The War for Independence could have ended in repudiation of rights, as was the case with the French Revolution. America's experience was different, however, because it was blessed with the rarest of leaders who had faith, wisdom and character: the faith to recognize that rights come from God; the wisdom to understand that the proper role of government is simply to protect God-given rights; and the character to fashion a government based upon such principles.

But, the American people have gradually lost sight of our nation's founding principles. Their collective blindness has enabled a relative handful of individuals who seek an all-powerful state to increase the size of government in the name of the majority. Thus, the federal government has increasingly assumed vast powers beyond those specifically delegated to it by the Constitution, to the extent that it now claims the right and the responsibility to regulate the nation's economy and provide for the material welfare of the people. Gradually, America is becoming like the despotic Old World from which the Founders declared their independence. Just as the founding of the Republic did not happen by accident, neither has our continuing slide backward toward despotism.

Declaration Challenged

On July 4, 1976, our nation celebrated its first major bicentennial event, the 200th anniversary of the signing of the Declaration of Independence. Less than a year before, on United Nations Day, October 24, 1975, the World Affairs Council of Philadelphia set its subversive sights on the approaching commemoration by unveiling a mockery of this great American document: "A Declaration of INTERdependence."

Virtually calling for the repudiation of the Declaration of Independence, the "INTERdependence" document proclaims, "Two centuries ago our forefathers brought forth a new nation; now we must join with others to bring forth a new world order." It claims that mankind must "free itself from the limitations of national prejudice," and that Americans have "a moral obligation to strive for a more prudent and more equitable sharing of the resources of the earth . . ." Simply stated, America's resources should no longer be ours but the

property of all the peoples of the world.

"A Declaration of INTERdependence" calls for "the immediate reduction and eventual elimination" of nuclear, chemical, and biological weapons "under international supervision" and the placement of the "processes of production and monetary systems" under "regulation by international authorities." So that these goals may be reached, it supports the strengthening of "the United Nations and its specialized agencies, and other institutions of world order. . . ."

Any thinking American familiar with this document would condemn it — or so one would think. On January 30, 1976 (the bicentennial year of our nation's independence), a delegation of U.S. Congressmen, representing 124 senators and representatives who had already formally endorsed the document, journeyed to Philadelphia, birthplace of our nation's independence, to publicize the "Declaration of INTERdependence." Regardless of whether or not they understood the true significance of their action, these Congressmen, in effect, endorsed the abolition of the very Constitution to which they had sworn allegiance. (Alert citizens were able to make this document very controversial by publicizing its thrust. Several Congressional endorsers eventually withdrew their support.)

The principles of the Declaration of Independence and those of the "Declaration of INTERdependence" are totally incompatible. Yet, the bicentennial celebration of our independence was used by interdependence advocates to make their subversive philosophy seem more palatable. And, in the same manner, those who seek to *formally* restructure our form of government view the Constitution's bicentennial era as a grand opportunity to carry out their plans.

Constitution Challenged

The 1985 book *Reforming American Government: The Bicentennial Papers of the Committee on the Constitutional System* is described by its editor, Donald L. Robinson, as a "book of 'working papers'" for the CCS. In that regard, James MacGregor Burns's call to "turn the founders upside down" is offered in its pages. According to Robinson, the draft language of proposed "reforms" in the book "will enable citizens to begin the difficult but essential task of refining ideas into specific statutory or constitutional lan-



Professor James MacGregor Burns

guage." Taken as a whole, the conclusions of the book's forty working papers, together with the draft language of seventeen proposed reforms, stand in direct opposition to the basic principles of the Declaration of Independence and Constitution.

In *Reforming American Government*, the Committee on the Constitutional System has boldly put on paper specific constitutional language for the wholesale altering of our form of government. If Americans ignore these bicentennial proposals, examples of which are given below, they do so at their own peril.

The Team Ticket: "In any election for electors of president and vice-president and for senators and representatives, candidates . . . shall be required to run on a political party slate. . . . Each voter may cast a ballot for one such slate as an entirety, and votes cast separately for individual candidates shall not be counted."

Under this proposal, the independent candidate would be eliminated, and the party candidate who does not fit the mold of his party's chieftains would find it exceedingly more difficult to get elected. This procedure would be modeled after the European parliamentary system where voters cast ballots for the party, not the candidate of their choice.

Bonus Seats: "The political party whose candidate is elected president shall designate, as members of the House of Representatives, one person for every five congressional districts . . . [and] shall designate as senators of the United States one person for each state."

Thus, the total membership of the House would be expanded from 435 to 522 members, and the Senate from 100 to 150 members. One-sixth of all representatives and one-third of all senators would *not* be chosen by the voters. Instead, these additional legislators would be designated by the party whose candidate is elected President. This would virtually destroy the vital separation of powers between the executive and legislative branches. At the same time, it would create a virtual oligarchy, since the political party whose candidate is elected president would be able to dominate both the executive and legislative branches.

One-House Override: "Two-thirds of either house of Congress shall have power to present any bill, previously passed by that house and thereafter not passed by the other house within 120 days, to the president. . . . If the president signs the bill, it shall be a law."

Thus, the ability for one house of Congress to restrain the other, as can be done today, would be weakened.

Ratification by Reduced Majority: "The president shall have power to make treaties, provided three-fifths [sixty percent] of the Senate . . . [or] a majority of each house of Congress concurs."

Currently, two-thirds (sixty-seven percent) of the Senate must approve before a treaty is ratified. (The lower is completely excluded from the process.) This prudent constitutional provision — intended to insulate our nation's foreign affairs as much as possible from political pressures — had much to do with heading off U.S. involvement in the League of Nations, and ratification of the SALT II and Genocide Treaties. By weakening the check on the president's negotiations with foreign powers, the possibility of the U.S. entering into unwise treaties that compromise our sovereignty would be increased.

Dissolution of the Government in Power: The "president shall have power to issue a proclamation of no confidence in the Congress, and the Congress shall have power to adopt a resolution of no confidence in the president. . . . A proclamation or resolution of no confidence shall fix a date for the calling of special elections for the appointment of electors for president and vice-president, and for the offices of senator and member of the House of Representatives."

Should a president exercise his check on Congress or vice versa, the provisions of this proposal would enable either branch to dissolve the government in power and replace it with a new one formed through the calling of special elections. This would put in place an inherent threat against either branch freely exercising its will. Thus, the vital separation of powers would be eroded further, and the nation would move away from a government of law under the Constitution toward one in crisis similar to European parliamentary democracies.

What the "Reforms" Mean

The "reforms" of the Committee on the Constitutional System would destroy the separation of powers built so skillfully into the Constitution, and they would move us toward the parliamentary system. Under that system, the party in power would be inordinately dominant because of its greatly increased control over both the executive and legislative branches. Rule by a political party that supposedly represents a majority of the electorate would prevail. But even in this regard, that all-important check of the people on their governing officials — the popular vote — would be dramatically weakened. All of which would violate our existing American system, under which fixed limitations designed to constrain dangerous governmental power and protect the God-given rights of the individual now prevail.

To borrow a phrase from James MacGregor Burns, adopting the CCS proposals would *turn the founders upside down*. It would formalize radical changes that have been taking place, and it would change our Constitutional Republic (rule by law) into a representative democracy (rule by majority).

If the Committee on the Constitutional System were only a few aging radicals from the campus disorders of the 1960s, its plans would not merit serious review. But it should be taken seriously because it has sufficient prestigious clout to influence what we do as a nation. *Reforming American Government* describes it as "a group of two hundred prominent citizens (among them present and former members of the Senate and House, Cabinet and White House staff, governors, party officials, members of academia, journalists, lawyers, and labor, business, and financial leaders)."



Zbigniew Brzezinski

The CCS is co-chaired by former presidential counsel Lloyd N. Cutler, former Treasury Secretary C. Douglas Dillon, and Senator Nancy Landon Kassebaum (R-KS). Cutler and Dillon happen to be members of the powerful Council on Foreign Relations, an elite private organization whose admitted purpose is to "shape American foreign policy" and "break new ground in . . . international issues." It has been dubbed by critics "the invisible government" of the United States. Fifteen of the 41 members of the CCS board of directors are also members of the Council on Foreign Relations. Financial support for the CCS has come from the Ford Foundation, the Brookings Institution, and the Rockefeller Foundation. The Ford and Rockefeller Foundations have also made grants for programs of Project '87.

The CCS has not yet endorsed any of the constitutional amendments that it is now considering. Nevertheless, the direction of its thinking is alien to the principles embodied in our Declaration of Independence and Constitution.

A New Constitution?

Article V of the U.S. Constitution states, "The Congress, whenever two-thirds of both Houses of Congress shall deem it necessary, shall propose amendments to this Constitution, or, on the application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments, which, in either case, shall be valid to all intents and purposes, as part of this Constitution, when ratified by the legislatures of

three-fourths of the several States, or by conventions in three-fourths thereof, as the one or the other mode of ratification may be proposed by Congress." All told, 26 amendments have been added to the Constitution. Everyone one of these, including the Bill of Rights, was proposed by Congress and ratified by the states. With the exception of the original Constitutional Convention held in 1787, the convention method for amending the Constitution has never been used.

In his 1970 book *Between Two Ages*, Council on Foreign Relations member Zbigniew Brzezinski (National Security Advisor in the Carter Administration) discussed the potential for using a convention to bring about change. "The approaching two-hundredth anniversary of the Declaration of Independence," he stated, "could justify the call for a national constitutional convention to reexamine the nation's formal institutional framework. Either 1976 or 1989 — the two-hundredth anniversary of the Constitution — could serve as a suitable target date . . ." Ironically, just as the "Declaration of INTERdependence" was proposed for adoption in 1976 (Brzezinski's first target date), we now face the possibility of a new constitution based on the CCS "reforms" in 1989 (his other target date).

In 1978, two years following the Independence bicentennial, Supreme Court Chief Justice Warren Burger suggested a less formal reexamination: "It may seem premature to be thinking about the next significant bicentennial celebration in our national life, but our experience with the bicentennial of 1976 demonstrates the desirability of long advance planning. It is not too soon to turn our minds to the two-hundredth anniversary of the document signed in Philadelphia almost exactly 191 years ago. I submit that an appropriate way to do this will be to reexamine each of the three major articles of our organic law [for the three federal branches] and compare the functions as they have been performed in recent times with the functions contemplated in 1787 by the men at Philadelphia."

Perhaps these sentiments explain why Burger accepted the post of honorary chairman of Project '87. They may also explain why Burger maneuvered to get the chairmanship of the governmental Commission on the Bicentennial of the

United States Constitution. On April 18, 1985, more than two months before the President appointed Chief Justice Burger to this position, a government official who predicted this development told the press that Burger "wanted this commission to amount to something and become institutionally important, particularly at a time when it seems possible that we might have a new constitutional convention."

A New Constitutional Convention?

Since 1975, 32 states have petitioned Congress to call a constitutional convention for the purpose of drafting a balanced-budget amendment. If two more states submit petitions, the second constitutional convention in our nation's history must be held. At best, such a convention would result in a constitutional crisis followed by a proposed balanced-budget amendment. At worst, the result would be constitutional crisis followed by a proposed new constitution, one possibly based on the CCS "reforms."

Most advocating a constitutional convention to mandate a balanced federal budget do not advocate a new constitution. Their good intentions, however, do not lessen the dangers of either an out-of-control convention or one that is managed to suit the purposes pursued by the CCS. Americans should *oppose* the convention call for two main reasons.

1. *Runaway Convention*: There is no constitutional provision that limits the scope of a convention. Should one be called, there is no telling what it could produce. It could write a new constitution instead of, or in addition to, writing a balanced-budget amendment. Indeed, fear of what a second convention might do is a major reason why the convention route has never again been followed.

The first Constitutional Convention established the precedent for a runaway convention. There is sharp disagreement among constitutional and legal scholars about whether Congress has the constitutional authority to limit the scope of a convention. ~~In the event that one is called~~, this divergence of opinion would result in a divisive confrontation.

Another debated question is whether states have the constitutional authority to limit the scope of a constitutional convention in their petitions calling for a convention. For instance, Duke Law School professor Walter Dellinger stated



Lloyd N. Cutler (Left) and C. Douglas Dillon are among the CFR members

in his article "The Recurring Question of the 'Limited' Constitutional Convention," published by the *Yale Law Journal* in 1979: "In order to satisfy the various objections of the [Constitution's] framers, a Convention must be free to define for itself the subject matter it will address; the state legislators may call for such a Convention, but they should not be permitted to control it."

Last November, when the Michigan legislature rejected a constitutional convention resolution that also contained a proposal to limit its scope, the argument that the safeguards could not be a guarantee against a runaway convention prevailed over the claim that the convention could be limited. State Senator Jack Faxon summed it up well when he stated, "Constitutional conventions are, by their very self-definition, sovereign bodies." We know what such a body *could* do if it is convened, but nobody knows for sure what it *would* do.

If a constitutional convention does submit "reforms" that would alter our form of government, the state legislatures may not have the opportunity to reject them. Congress may decide instead to submit the "reforms" to special state conventions for ratification, as was the case with the ratification of our present Constitution. Also, the delegate selection process for either the national constitutional convention or the state conventions has not been determined.

2. *Balanced-budget Amendment*: Even if a constitutional convention concerned itself with nothing more than drafting a balanced-budget amendment,

the adoption of this amendment would not end inflation or cut taxes, the two major reasons why strong support for such an amendment has developed.

Inflation is an increase in the supply of money and credit. Balancing a yearly federal budget would mean that the federal government would not produce any deficit for that particular year. But it still would have to contend with whatever yearly deficits arise from "off-budget" programs. If the federal government finances debt by increasing the supply of money and credit, this of course would be inflation.

Nor would a balanced-budget amendment necessarily cut taxes, since the budget could be balanced by raising taxes just as well as by cutting spending. In all probability, a balanced-budget amendment would cause the politicians to do both. It could also cause them to move more spending items "off-budget" in order to circumvent the intent of the amendment. The only solution to inflation is to end the practice of increasing the supply of money and credit. Likewise, the only solution to the high cost of government is to cut its size. Admittedly, a balanced-budget amendment may increase the pressure to implement these solutions, but it does not supply the solution itself.

A law was already passed, in 1979, requiring a balanced federal budget as of fiscal year 1981 (P.L. 95-435). But it has been completely ignored. More recently, as part of the bill to push the national debt limit over the \$2 trillion plateau, Congress passed, and the President

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signed, legislation to require a balanced federal budget by fiscal 1991. Whether or not this law will also be ignored remains to be seen. Even if our lawmakers do adopt a balanced budget required by law, this does not necessarily guarantee that the budget would be balanced. A budget is only a forecast! Because future spending and revenue cannot be predicted exactly and future events cannot be foreseen, a budget that is balanced on paper at the beginning of the fiscal year may not be balanced at the end of that year.

The growing deficit crisis exists because the Constitution is treated as if it does not exist. The solution to the crisis is to adhere to the Constitution. Until that is done, a constitutional amendment to balance the budget could be ignored just as easily as have been other constitutional provisions. If the federal government had been operating within the limits of the Constitution, there would be no need even to contemplate a balanced-budget amendment as there would be no serious deficit crisis to resolve.

After the Bill of Rights, the large majority of amendments added to the Constitution have not strengthened our Republic — they have weakened it. Except for stripping it of those damaging amendments, our Constitution needs no repair. What is in need of repair is the lack of understanding of the principles embodied in the Constitution and of the will to put those principles into practice.

A constitutional amendment to balance the federal budget is a misguided plan for two reasons: It may lead to far more than a balanced-budget amendment; and if it does produce such an amendment, there is no assurance of an end to the deficit crisis. The real issue is the integrity of the Constitution.

Political Alignment: On the "Right"

There are many conservatives who advocate a constitutional convention in the sincere belief that it can be limited to proposing a balanced-budget amendment and that this amendment would restore fiscal sanity in Washington. There are other so-called "conservatives," however, who would alter our form of government. One of these is Kevin Phillips, president of the American Political Research Corporation, who is also on the board of directors of the Committee on the Constitutional System.

In *Reforming American Government*, Phillips is described as "a conservative commentator." His article, "An American Parliament," another of the book's working papers, states:

The dubious doctrine of 'American exceptionalism' — based on the idea that this country is unique, or that God takes care of babies, drunks, and the United States of America — is a misconception that may soon prove fatal. The notion springs from many sources, among them the belief that we are blessed with a peerless Constitution and brilliantly structured political system, designed for the ages in the candlelight of 1787. Yet, the United States' success in coping with the 1980s may depend on the speed and intelligence with which we can transform a number of obsolescent, even crippling, political institutions, mechanisms, and relationships. Conservatives, by tradition partisans of the status quo, may find themselves taking the reformist lead. . . .

Effective reform of the federal government would be best served by a quasi-parliamentary transition. . . .

Implement Lloyd Cutler's idea of having national and congressional candidates run together on a quasi-parliamentary ticket, and metropolitan Houston, Dallas, Tulsa, Shreveport, Jacksonville, Palm Beach, Charleston, Winston-Salem, and a dozen other cities would immediately shift to a conservative coalition representation. . . .

The political irony . . . is that aging liberals are no longer the innovators, but the Bourbons and Hapsburgs of contemporary institutional failure. Theirs are the palaces under attack, and the restless crowds beginning to throw rocks into the Tuileries are populist conservatives of a sort. The challenge of the 1980s is that conservatives may find themselves obliged to preside, not over a traditional electoral realignment, but over a critical restructuring of U.S. political institutions.

Apparently, Phillips believes it is perfectly acceptable to move away from a

Constitutional Republic toward a parliamentary democracy, as long as "conservatives" and not "liberals" engineer the transition. The problem here is that the nature of man does not change, whether the opportunity for mischief is provided by those who call themselves "conservative" or by those who admit to being liberal. Also, it would be no less wrong to give power to a conservative majority (or their representatives) than it would be to give it to a liberal counterforce. Whether he describes himself as conservative or liberal, the populist — one who believes in adherence to the popular will — does not understand this. But the Americanist — one who believes in America's founding principles — does understand.

The populist supports democracy; the Americanist supports our Constitutional Republic. The populist preaches that he should be allowed to carry out the popular will without restraint; the Americanist recognizes that no one should be allowed the power to violate the God-given rights of the individual. For he realizes that it would be better to have scoundrels in Washington who are kept away from mischief by the limiting features of our Constitution than it would be to have well-intentioned men with the power to implement their agenda in the name of the majority. The populist wants to act in the name of the majority; the Americanist wants men to act for themselves. The populist tries to win elections so that he will acquire power; the Americanist who seeks election wants to preserve our Constitutional Republic so that no man will have power over another.

"Conservative" and liberal populists who seek to "reform" our system of government so that *they* can lead without restraint are supporting the same goal. Should they succeed, it will make no difference if the clique in power represents a conservative or a liberal majority, or if the growing power of government swings back and forth between these two constituencies as governments are dissolved and formed. Our fate in either case would be the worst tyranny of all: *the tyranny of the majority*.

And on the Left

Many liberals believe that a balanced-budget amendment would curtail the spending programs they advocate, and that a constitutional convention would

result in a balanced-budget amendment. But others on the Left, would try to use a "balanced-budget" convention to alter our form of government.

The preface to *Reforming American Government* states that, of the two methods available for amending the Constitution, "most members of the Committee would far prefer to proceed by the traditional method." Perhaps. But in one of the book's working papers, CCS co-chairman Lloyd Cutler said, "if the pending call for a constitutional convention to propose a 'balance the budget' amendment is joined by the two additional states needed to provide the triggering two-thirds ... our committee may be ready with some better ideas."

And CCS coordinator Peter Schaffler suggested at a Washington news confer-

If a constitutional convention is called, very powerful forces will use it for their own purposes.

ence last year that, should a convention be called, his group would be ready with a "package of carefully structured amendments to put on the agenda of such a convention."

Thus, CCS members claim to oppose a constitutional convention, but they are prepared to use it for their own purposes. At such a convention, the "reformers" would enjoy the best of two worlds: they could blame the constitutional crisis caused by the convention on the "conservatives" who called for it, and they then could "rescue" the American people from this crisis by submitting their own agenda. Because of the benefits to their cause, we cannot help wondering if some CCS "reformists" claiming to oppose a constitutional convention are actually harboring a hidden hope that one will materialize.

How It Adds Up

Radical changes that are politically unattainable during normal times may be attainable during times of crisis. In a *Reforming American Government* working paper, James MacGregor ("turn the founders upside down") Burns brazenly admitted this, stating:

I doubt that Americans under normal conditions could agree on the package of radical and 'alien' constitutional changes that would be required. They would do so, I think, only during and following a stupendous national crisis and political failure

Major changes in process and structure will not be brought about by spontaneous action on the part of the mass public. . . . Changes will be brought about by leadership, as in the drafting and adoption of the Constitution of 1787. But today such changes will not be allowed to remain in the hands of a small set of elites, like the fifty-five men who drew up the Constitution. The second and third cadres of American leadership must be fully involved. . . .

Do we have a third-cadre leadership of similar intellectual power and creativity today? *The answer can be found in the civic and religious groups, in the local Leagues of Women Voters and local bar associations, in the unions and Chambers of Commerce, in the professional organizations, in the schools and colleges and universities of America.* (Emphasis added.)

Will the federal government's debt prove to be enough of a crisis to convince Americans that major "reforms" in their government are needed? Will these "reforms" be sold to Americans on the promise that they will make the government more "efficient," thereby alleviating the debt crisis? Will a constitutional convention for proposing a balanced-budget amendment be used for this broader purpose? After all, the architects of a new constitution could argue that the budget cannot be balanced, and fiscal sanity cannot be restored, unless the needed structural changes are made. (When the Annapolis Convention met in 1786 to resolve the trade crisis, its delegates were of the opinion that the resolution of the crisis "may require a correspondent

adjustment of the other parts of the Federal System.")

If a convention is used for the purpose of writing a new constitution based on CCS "reforms," will the new constitution be submitted to special state conventions instead of the state legislatures for ratification? (The original constitution was submitted to conventions.) If the new constitution is submitted to conventions will the ratification process of our original Constitution be used as a precedent? Also, will these special state conventions be filled with a cadre of leadership of the type that James MacGregor Burns described — one supportive of moves to turn the founders upside down?

If a national constitutional convention followed by state conventions were held during the constitutional bicentennial period of 1987 through 1991, would the spirit of the bicentennial make the whole process of "reforming" American government more palatable to Americans? Would the windows of a new constitutional convention be boarded up in the figurative sense? (Windows were literally boarded up at the original constitutional convention.) And could it be that Warren Burger's decision to hold meetings of the present bicentennial commission *behind closed doors* — citing the precedent of the original constitutional convention — mean that he has a future constitutional convention in mind? Indeed, will history repeat itself during the bicentennial era — only this time, taking a turn for the worse?

We do not know the answers to these questions. But we do know powerful forces are at work bent on destroying our form of government. Regardless of whether these forces are actually working to bring about a constitutional convention, they will try to use such a convention for their own purposes.

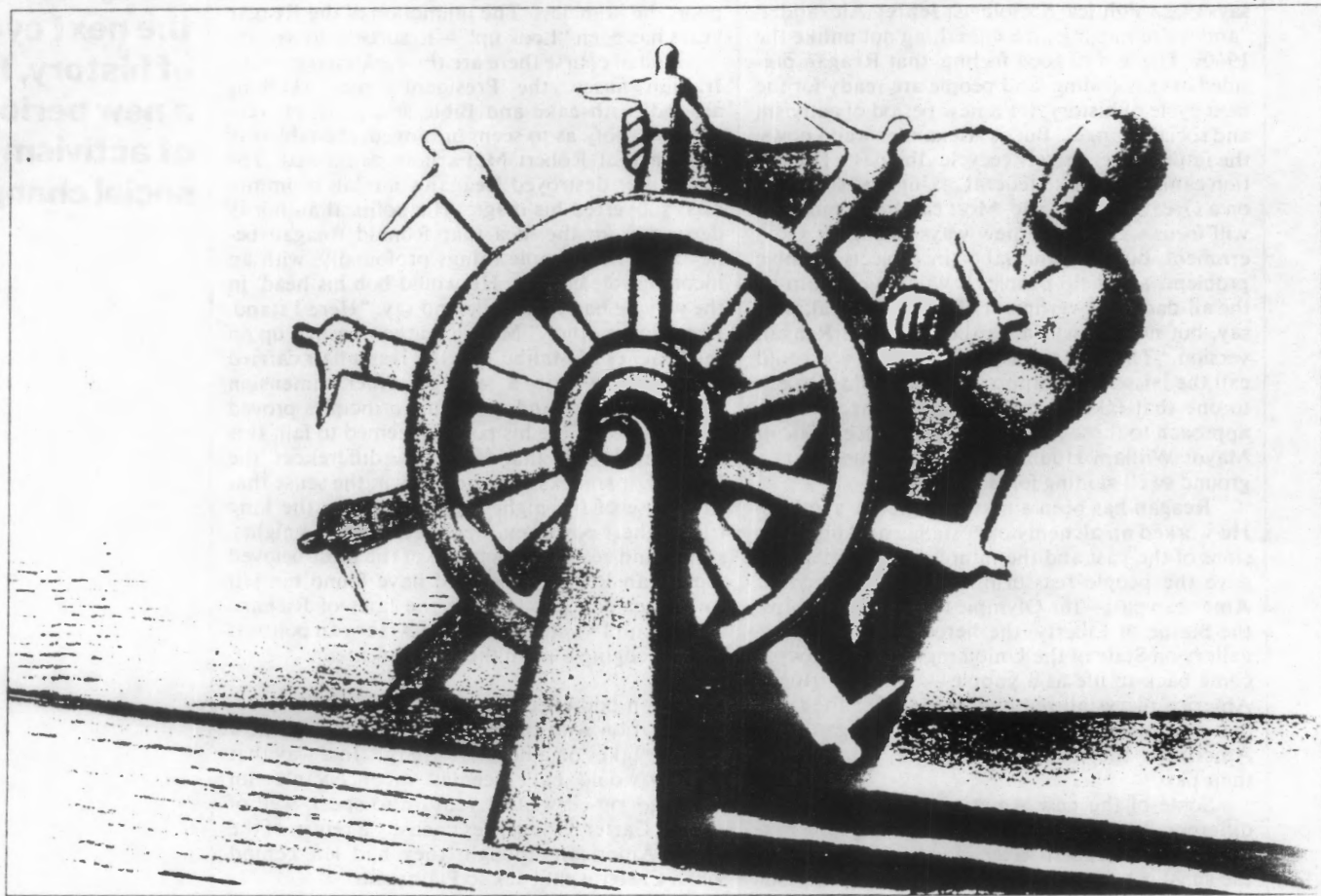
The solution is education. If enough Americans understood Americanist principles, no force on earth would be able to trick them into surrendering their birthright. Not during the constitutional bicentennial — not ever. ■

Reprints of the copyrighted article, "Bicentennial Plot," are available at under 100 copies, 3 for \$1.00; 100-499 copies, 30c each; 500-999 copies, 25c each; 1,000 or more copies, 20c each. Please include postage and handling charges as follows: orders totaling less than \$10.00, add \$1.00; orders for more than \$10.00, add 10 percent of the total order amount. Order from THE NEW AMERICAN, 395 Concord Ave., Belmont, MA 02178 2650 Mission St., San Marino, CA 91108

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Harvard #1

Essay



A Change in the Weather

As Reagan's era recedes, compassion and Government activism regain favor

Time to look for new ideas, time to move beyond the era of self-congratulation and beer-commercial patriotism.

It happened with surreal swiftness. One moment, the pageant of Reaganism was proceeding, with brilliant fireworks over the harbor. The next moment, the Iranian scandal burst up through the floorboards. Strange blackbirds of policy flapped out of the White House basement. The Reagan Administration, the phenomenon that had defined so much of the '80s, that had given the decade its agenda and style, seemed to collapse in a bizarre shambles.

If the U.S. were a parliamentary democracy, the Reagan Government might have fallen. As it is, Ronald Reagan will remain in Washington for another 22 months. His White House is laboring to repair the damage. In time Reagan may reassert his charm. Even as a lame duck, he will have his successes, perhaps even an arms-control agreement. It is possible that Ronald Reagan has not yet exhausted his luck.

But the question is not whether Reagan can recover. The nation is beginning to look beyond Reagan now. Any President in the last half of his second term is already in the valedictory mode. The Iran affair simply hastened the process and

abruptly concentrated the nation's mind. The 1988 election is coalescing. The parties are sorting out candidates and issues. There are signs of a fundamental change in the nation's political weather, a philosophical mood shift like those that seem to occur in America every generation or so.

Even without Iran, the era of Reagan was passing. It has left its indelible mark, yet its battle cry—that Government is the problem, not the solution—is losing force. Presidential candidates of both parties are struggling to define a new role for Government in the post-Reagan era. While seeing the need to be frugal, they are talking more and more about compassion, more active approaches to deep-rooted social problems, a new sense of community values. Reagan has done what he has done, and he has accomplished much. He presided over one of the longest periods of economic recovery in American history, a time attended by the end of inflation and of the wage-price spiral. He rolled back the writ of the Federal Government, helped to initiate tax reform, strengthened (amid some setbacks) the American posture in the world. But

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now one feels the ground shifting underfoot, a grinding of the tectonic plates.

"We're at the end of an Eisenhower period," says UCLA Political Sociologist Jeffrey Alexander, "and we're moving into something not unlike the 1960s. The 'era of good feeling' that Reagan presided over is ending, and people are ready for the next cycle of history, for a new period of activism and social change." But as Alexander well knows, the future never merely recycles the past. The nation cannot return to federal taxing and spending on a Great Society scale. Most candidates in 1988 will focus wistfully on new ways to engage Government, business and labor in projects to solve problems and help people. It will never again be the all-daddy Government of the New Deal, they say, but neither will it be the shrunken Reagan version. "The swing is away from what you could call the laissez-faire approach of Ronald Reagan to one that takes a more active, compassionate approach to those in true need," says Republican Mayor William Hudnut of Indianapolis. "It is a ground swell gaining force."

Reagan has been a master of public symbols. He worked an alchemy of nostalgia and hope, visions of the past and the future collaborating. He gave the people reassuring images of a mythic American past—the Olympic torch, the tall ships, the Statue of Liberty, the heroes in the visitors' gallery on State of the Union nights. Tom Sawyer come back to life as a yuppie—a sweet, virtuous America recrystallized by Reagan after the traumatic changes of the '60s and '70s. Reagan gave Americans the idea of a future as spacious as their past.

Some of the new American imagery is very different. It suggests something closing down, a darkness crowding in at the margins. One sees not the sunshine of Reagan's American morning but touches of Thomas Hobbes. The gloom probably is just as exaggerated as the earlier optimism. But the encroaching new images are haunting: homeless people on heating grates; the ominous national debt and the spectacle of Japanese managers moving into the American heartland to show Americans how to run things profitably; the AIDS epidemic, which is becoming an important and menacing presence in the 1988 campaign.

Another powerful image: Wall Street millionaires arrested for insider trading and taken off in handcuffs. Not long ago, the "go for it" mentality of untrammelled capitalism was a virtue in the culture of Reaganism. Now that culture is being questioned. The Rambo story, which was a cartoon of Reaganism's individualist machismo, has been discredited by the escapades of Oliver North. The enduring ghost of Viet Nam returns not in the cretinous revenge fantasies of Sylvester Stallone but in *Platoon*, a movie that confronts the ambiguous mess and tragedy of America's mission in Viet Nam. The show that has captured

Broadway is *Les Misérables*, with its themes of suffering and redemption, and the injunction "Look down!"—meaning look down upon the poor, the homeless. The injunction of the Reagan years has been "Look up!"—to success, to wealth.

And of course there are the dark images of the Iranian fiasco: the President's men skulking around, with cake and Bible and guns, on ventures so goofy as to seem unhinged; the tablets of Valium that Robert McFarlane swallowed. The Iran affair destroyed Reagan's nimbus of immunity, subverted his magic. His political authority derived from the idea that Ronald Reagan believed certain simple things profoundly, with an incorruptible candor. He would bob his head, in the way he has, and smile and say, "Here I stand: I can do no other." Martin Luther washed up on the beaches of Malibu. But the Iran affair carried Reagan over into a strange, other dimension where both his candor and his principles proved corruptible, where his powers seemed to fail. It is a powerful irony that for all the differences, the Iran affair smacks of Watergate, in the sense that the abuse of the highest power undoes the king (the highest power manipulated by little knights, stupid and zealous). That one of the most beloved American Presidents should have found himself in danger of recapitulating the fates of Richard Nixon and Lyndon Johnson is American political theater edging toward the Shakespearean.

An odd effect: Reagan's powerful connection with the American psychology now takes on a negative charge. In a way that would have seemed inconceivable not long ago, op-ed writers venture to speak well of Jimmy Carter. One senses uneasily a return of the world Americans thought they had left behind when Carter went back to Plains, Ga.

"Wise men have remarked on patterns of alternation, of ebb and flow in human history," writes Historian Arthur Schlesinger Jr. in *The Cycles of History*. Emerson observed that "the two parties which divide the state, the party of Conservatism and the party of Innovation, are very old, and have disputed the possession of the world ever since it was made . . . Innovation is the salient energy; Conservatism the pause on the last movement." But that can be tricky. Reagan in his way was no conservative and was something of an innovator, who tried, with limited success, to reverse deep-rooted Government traditions going back to the New Deal. In any case, Emerson also observed that "every hero becomes a bore at last."

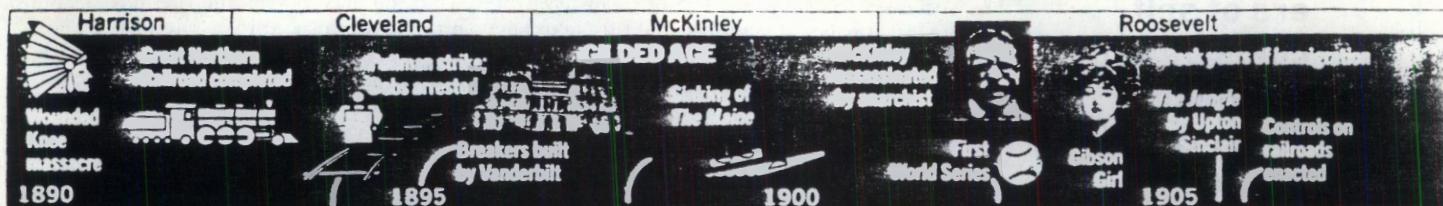
What is the essence of the change that is now occurring in America?

In part it is a return from the long vacation of the Reagan years. Americans coming back from the picnic of restored nationalism and morale, a necessary pause, to discover that the old problems are still there, only in some ways worse now. The

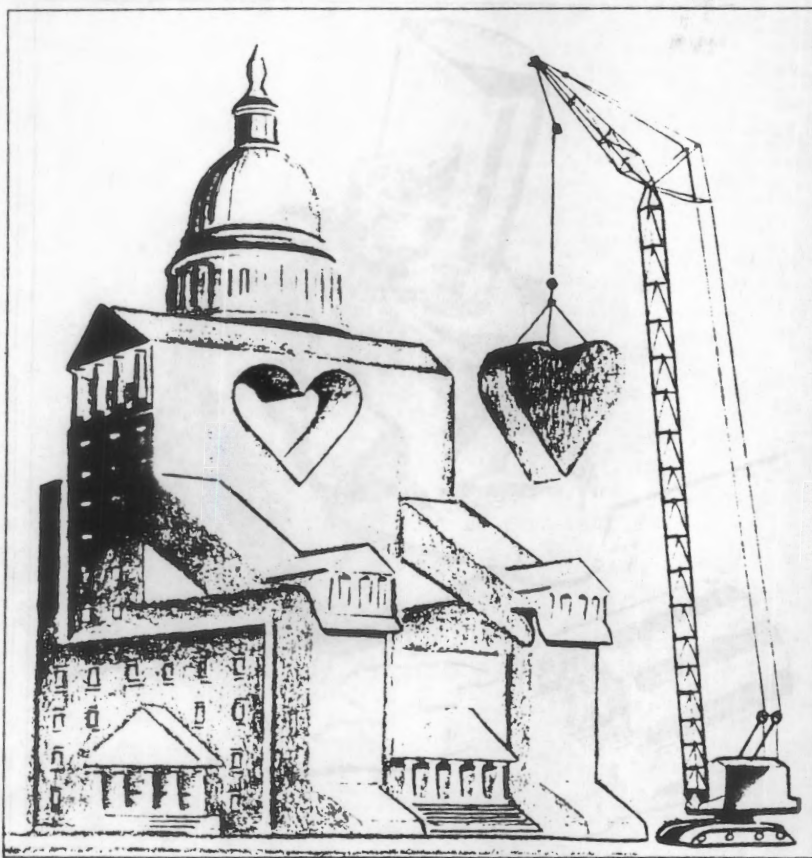
"People are ready for the next cycle of history, for a new period of activism and social change."

AMERICAN CYCLES Historian Arthur Schlesinger Jr. suggests that there are 30-year cycles of American history that swing between eras of liberalism and conservatism — periods he calls Private Interest and Public Purpose.

Private Interest **Republican**
Public Purpose **Democrat**



68x



Americans had a suspicion that Reaganism had gone too far in trying to rescind the compassionate functions of Government.

Indian summer was lovely, but the weather turned cold: Provide, provide! That holiday was paid for by more than doubling the national debt, to \$2.2 trillion. Time to look for new ideas, time to move beyond the era of self-congratulation and beer-commercial patriotism. America cannot afford stupidity. It costs too much in the world. Education therefore must have a priority, and not just through more money; it needs discipline and imagination. America can no longer afford racism and a neglect of the underclass. They also cost too much. These are problems that must be solved not only as a matter of social justice (which they are) but as a question of America's long-term economic survival.

The moral ecology of American politics is altering. Issues that figured in the Reagan revolution—family values, school prayer, abortion, pornography—remain powerful. But some of them will be in collision with problems such as AIDS, homelessness, racism, toxic waste, business ethics, nuclear disarmament and the national debt—a more public agenda, one that veers somewhat away from religion.

The change now occurring is emphatically not a simple pendulum swing back from conservatism to New Deal liberalism. The change is more complex, more interesting. By the end of the '70s, Americans understood that from the '30s on, the welfare state had grown almost unrestrained. The left-leaning populism that bashed Big Busi-

ness gave way to a right-leaning populism, one that produced tax revolts like California's Proposition 13.

That anti-Government mood prepared the way for Reaganomics and drove a wedge between the poor and the middle class. Americans in the middle detected something askew in the Government's social policies. Reagan played upon the middle-class intuition that some basic unfairness was loose in the garden of the dream. (Reagan was wise enough to know that the dream existed still and needed tending.)

"Welfare" was at least one of the things wrong. It meant a morality of entitlements, people getting something for nothing. It meant the unfairness of ordinary people paying the bill for the noblesse oblige of an elite. The Great Society eventually became institutionalized, even when the nation's economic growth flattened out and the middle class began losing ground. That dissonance helped to create Ronald Reagan. Americans bought the Reagan solution: cut welfare programs, or at least slow their rate of increase, to strengthen defense and give people more to spend through tax cuts. Says Daniel Yankelovich, the public opinion analyst: "They were uneasy about doing so because they suspected that millions of poor people would get hurt, but they accepted the Reagan approach because they agreed that something was badly amiss with the liberal theory of Government-backed entitlements. But Reagan's personal 'goodness' seemed to guarantee that it was not a Scrooge-like thing to do. As long as Reagan was credible, his solutions were acceptable."

Even before the Iran-*contra* affair, Americans had a suspicion that Reaganism had gone too far in trying to rescind the more generous work of Government: cutting Aid to Families with Dependent Children, for example, and federal funds for housing while running up the military budget from \$134 billion in 1980 to \$266 billion in 1986. (Although as a percentage of the gross national product, non-defense spending has declined very slightly and is still more than double defense spending.) The dream of salvation—"Get the Government off the backs of the American people and release the energies of free enterprise"—may not have been given enough time to work, but, in truth, it was never an agenda that took deep root anyway. Says Kevin Phillips, the Republican political analyst: "In the 1986 election, you saw the desire around the country for candidates who could make Government work, for defining some Government roles. It was flowing from parts of the country where people began thinking, 'Hey, we need something from Government after all.' It was coming primarily from areas dependent on mining, timber, agriculture, energy, textiles, steel. They stopped thinking of Government as something that just took care of muggers and Detroit welfare mothers, the whole conservative rhetorical syndrome."

In a new poll for TIME by Yankelovich Clancy Shulman, people were asked whether Government spending should be increased, decreased or kept the same for various public needs. More than 70%

Taft	Wilson	Harding	Coolidge
PROGRESSIVE ERA	PROHIBITION ENACTED	RETURN TO NORMALCY	RESTRICTIVE TARIFFS IMPOSED
<ul style="list-style-type: none"> NAACP founded First cars come off assembly line at Ford Birth of a Nation released 	<ul style="list-style-type: none"> Exhibit art displayed in Armory Show World War I Senate rejects League of Nations Red Scare 	<ul style="list-style-type: none"> First Miss America crowned Ku Klux Klan 3 million strong Linbergh dies in Paris 	<ul style="list-style-type: none"> Restrictive tariffs imposed
1910	1915	1920	1925

69x

said that funds should be increased for health care to the poor and the elderly, for cleaning up the environment and for aid to the homeless. Given a choice of spending more for the military or more for social programs, respondents preferred the social programs, 69% to 23%. More than three-fourths of those surveyed said Government "should play a more active role" in such areas as health care, poverty, housing and education. Most surprising of all, 60% said they would "support increased spending for social programs even if it would require an increase in taxes" (see box).

The results, though compelling, may also say something about the mood swings of the American public. Only two years ago, these same people might have said that you cannot solve problems by throwing money at them. "Americans have always expressed ambivalent desires about the role of Government," says California Pollster Mervyn Field. "We ask, Why doesn't the Government just get off our backs? And then we demand, Why doesn't the Government do something about this? Today, in several ways, the Government is off the public's back. Taxes are down. Inflation is down. Interest rates are down. But at the same time, our polling data show growing public anxiety about both the national and the local economies. The layoffs are hitting close to home. So are the growing numbers of the homeless. More people are now asking, Why doesn't Government do something about this?"

The Reagan revolution is not, of course, just going to evaporate. In part, it arose out of inescapable forces: a sense that Government had bloated out of control, that it was time for a period of unabashed good spirits and confidence after an era of gloom and self-doubt. "Reagan has significantly changed our attitude toward Government, away from looking toward Washington to solve our problems," says Field. A new form of Reaganism, possibly even under Democratic auspices, will have to cope with that legacy after Reagan is gone. Few Americans want to return to the Great Society style of welfare. The nation can no longer afford that kind of grand buffet, if it ever could. So the instinct for a new compassion, a word that is often heard these days as a signal of recoil against the meannesses of Reaganism, comes abruptly up against hard realities.

If Reaganism has now and then been perceived as social Darwinism, the idea that the sleekest beast with the sharpest teeth is the fittest to survive (Ivan Boesky in the skin of a panther), the new emphasis, among Republicans as well as Democrats, is upon the practice of a kind of governmental "tough love," an aggressive compassion designed to end dependencies and get people self-sufficient and back to work as quickly as possible. In the 1980s there is an acute awareness of the nation's economic limits and of the intractability of many problems.

The current push for welfare reform, led nationally by New York Senator Daniel Moynihan and Arkansas Governor Bill Clinton, is the best



example of this approach. It is based on two truths: that unconditional aid leads to long-standing dependency and that the impoverished children of this nation cannot merely be abandoned. The new approach—being tried with some success in states such as Massachusetts, California, New Jersey and New York—is to require recipients to enter training and job-placement programs. In some of the proposals, the Federal Government would become the employer of last resort.

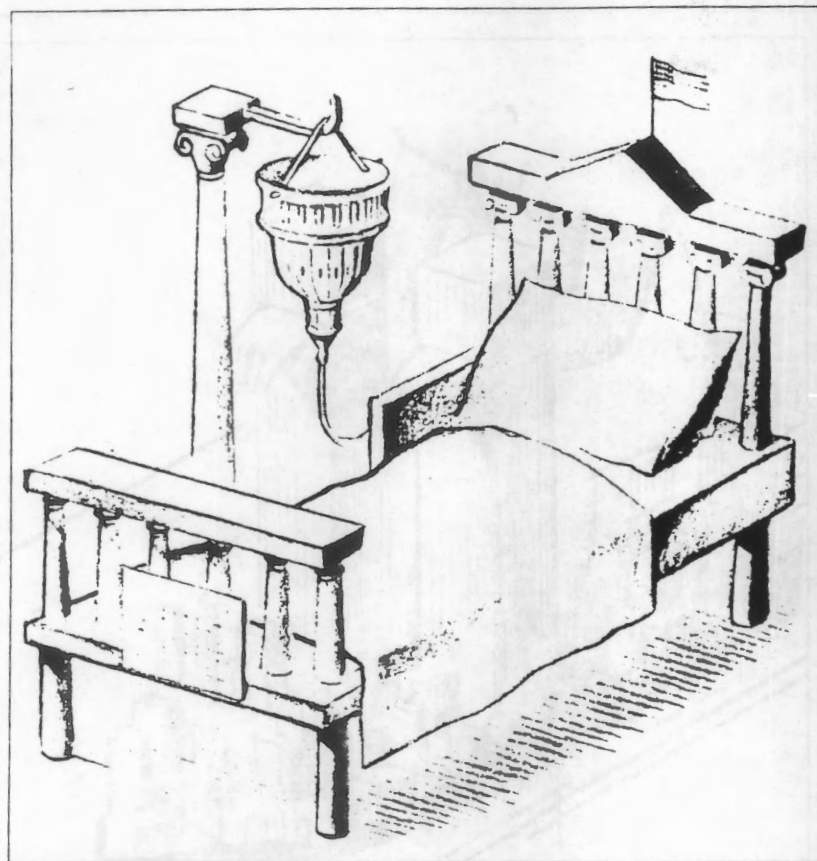
In Chicago, Aleen Zimberoff Bayard is one of the growing number of people returning to social activism but demanding "more bang for the buck." As Bayard says firmly, "People don't tolerate giveaways anymore." In 1985 Bayard and several friends started the Entertainment Action Team, whose mission is to "end hunger in Chicago through self-sufficiency." Says she: "It makes such a difference to me that I'm doing something. The team is one example of how young, socially minded people are rewriting the Reagan message." The team is auctioning off part-ownership of an Arabian horse to raise money for a café that will be a restaurant-training program for homeless teenagers. "We want to teach them job skills," says Bayard. "Our group believes people want to help themselves. We're saying, 'Money doesn't solve the problem.'"

Such programs, which owe something to Reagan's long emphasis on volunteerism, usually

In a nation proud of its economic comeback, the spectacle of people sleeping on grates frays the conscience.



70X



More than three-fourths of those surveyed say Government "should play a more active role" in such areas as health care.

stress the idea that compassion is best implemented through cooperation of governments, businesses and private citizens. "We are really apolitical," says Bayard. "Fat government is the problem."

At the state level, social programs are being seen as an investment in the future. In Colorado, for example, a powerful issue in last November's gubernatorial race was how to handle an expected \$434 million windfall in state tax revenues caused by federal tax reform. While the Republican nominee promised to return the money to taxpayers, Democrat Roy Romer proposed to spend it on education, highways, water projects and industrial development. He won. Says he: "I asked people, 'What's more important to you, another \$18 in your pocket right now or a job for your kid when he finishes school?' The public support for state-government investment in the economy and education is rooted in fear about where the economy is going."

In Kansas, a fortress of Reaganism, the state legislature seems to be moving leftward as the farm crisis persists. Says Richard Larimore, recently retired administrative assistant to the minority in the state senate: "The pendulum is swinging back and is already approaching the middle. In Kansas, this will probably be the last big legislative year for major economic-development programs because people are figuring out that that means giving money to the wealthy."

For years, starting in the late '60s with Lyn-

don Johnson, successive American Presidents have used inflation, foreign borrowing and other devices to avoid coming to terms with some fundamental problems in the nation's economy, especially the runaway spending on middle-class entitlement programs (like Social Security), the falling productivity of some industries and the resulting failure to compete in the international markets. Americans have indulged themselves in a certain denial of reality. Increasingly, however, they suffer from what is called a "cognitive dissonance" between the nominal economy and the real economy. In other words, they cannot figure out why so many are losing their jobs while 11 million new jobs have been created since 1981, why the stock market soars to record highs, and thousands of new businesses are launched every year while thousands go bust.

It would be ironic for Americans to lose their faith in a free-market economy at the very time that the rest of the world, including even socialist countries, is looking forward to the forces of market incentives and entrepreneurship. In many respects the American economy is remarkably solid, with a respectable if not spectacular growth rate of around 3% projected for 1987 and an unemployment rate significantly lower than that in most other industrialized countries. But economic reality in America is complex and contradictory. Yesterday's boom regions, like the Southwest, are suffering while yesterday's depressed areas, like the Northeast, are booming. Thirty-one states, mostly in the heartland of the nation, are in recession. Mothers and fathers know that the industries in which they have worked all their lives will not provide middle-income jobs to their daughters and sons, who may of course make their fortunes as junk-bond traders or software geniuses, but are far more likely to find "hamburger jobs" and drop into the minimum-wage sector of an increasingly bottom-heavy economy.

If Big Government was the villain of the Reagan cycle of American history, the bête noire of the new may be Big Business. In 1979, according to the pollster Lou Harris, 69% of Americans gave corporate America a favorable rating. In 1986 only 35% rated corporate America favorably. "Clearly," says Harris, "the mood about business has turned negative on a massive scale."

This swing has been spurred by the insider-trading scandals, which find considerable resonance with Americans. Says Pollster Field: "The public doesn't distinguish between Wall Street and Big Business. I see Big Business becoming a target in 1988." Deputy Treasury Secretary Richard Darman, one of the intellectual turbines of the Reagan revolution, masterminded last year's successful push for tax reform. He has attempted to formulate a conservative populism that would save the Reagan Administration from being inextricably tied in the public mind with Big Business and Wall Street. Darman has used the term corpocracy to describe the bloated management of U.S. corporations that have resisted becoming more competitive. "Big Government isn't

<p>1950</p> <p>McCarthy and Blacklisting</p> <p>Korean War</p> <p>1955</p> <p>James Dean dies</p>	<p>Eisenhower</p> <p>SILENT GENERATION</p> <p>Peak of Baby Boom</p> <p>Separate-but-equal doctrine overturned</p> <p>I Love Lucy</p> <p>Hula Hoops</p>	<p>1960</p> <p>Kennedy</p> <p>CAMELOT</p> <p>J.F.K. assassinated</p> <p>Cuban missile crisis</p>	<p>Johnson</p> <p>GREAT SOCIETY</p> <p>Statts riots</p> <p>Economic Opportunity Act</p> <p>Voting Rights Act</p> <p>1965</p> <p>King assassinated</p>
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71X

what is bugging everyone these days," says Darman. Instead, he sees the resentment as being directed at stagnant industries and declining education systems. Businesses that profited from tax breaks without making intelligent investments, combined with the scandals and takeovers on Wall Street, have bolstered the perception of greed run wild. One result, Darman says, "is that latent idealism is having a comeback."

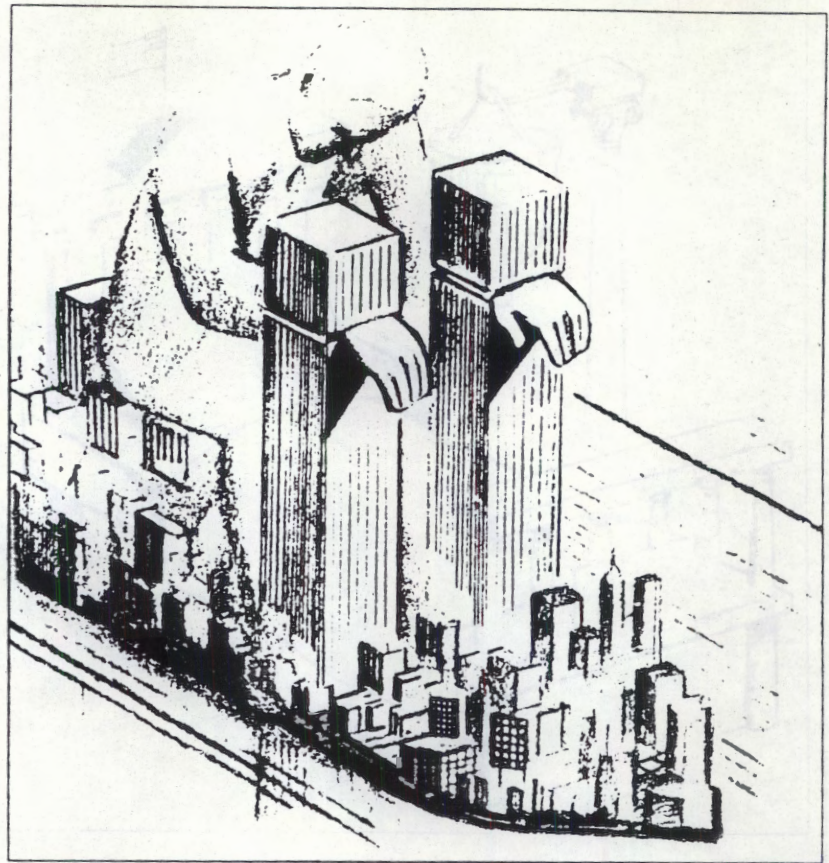
These themes are being stressed by Democratic candidates, including Gary Hart, Bruce Babbitt, Joseph Biden, Richard Gephardt and Jesse Jackson. "When Rhodes scholars are arrested for insider trading, that contributes to this populist sentiment that a privileged class is getting rich at the expense of the rest of the economy," Babbitt says. Like most Democratic candidates, Babbitt is careful to focus his attacks on Wall Street and Big Business, as opposed to entrepreneurial and family businesses.

Gephardt often cites the successful Japanese management of American workers at the General Motors plant in Fremont, Calif. He wonders whether U.S. industrial failures should not be attributed to American managers rather than American workers (despite high U.S. wages compared with some of America's competitors). Babbitt adds that unlike Japanese managers, who often cut their own compensation before that of their workers, "American executives reward themselves with huge bonuses during the good times but console themselves with layoffs as soon as times turn bad."

Pierre Proudhon, the 19th century French utopian, once wrote of "the fecundity of the unexpected." It is always somewhat dangerous to think that history can be foretold by studying the patterns of the past. Still, the rhythms of change in the past century have displayed uncanny regularity. Schlesinger's theory, inherited in part from his father, is that people have absorbed their formative political values by the time they reach age 18 or so. Ronald Reagan reached that age during the years of Calvin Coolidge, whose portrait now hangs in the Cabinet room in the White House. John Kennedy came of age with the New Deal and World War II. Says Schlesinger: "In general, we have 30-year cycles based on generations. Just as the 1980s were a re-enactment of the 1950s, the Eisenhower time was a re-enactment of the Harding-Coolidge time of the 1920s. So at 30-year intervals—Theodore Roosevelt in 1901, F.D.R. in '33, Kennedy in '61—we have a swing from private interest, from self-interest, to public purpose." By Schlesinger's calculation, the cyclical change now beginning should reach full momentum around 1990.

American history in the past 100 years has arranged itself in the cycles with an odd neatness. A period of economic depression, war, social change and activism has generally been followed by a spasm of reactionary backlash, followed by a time of consolidation, relative calm and prosperity.

The three decades from 1890 to the end of World War I were turbulent with industrialization. The first labor-union movement arose in idealism and turmoil and disruption. Immigrants



poured in from Southern and Eastern Europe. Then came "the war to end all wars," attended by Woodrow Wilson's millennial ambitions.

Even before the war ended, Americans began recoiling from Wilson's international activism. Attorney General A. Mitchell Palmer went on witch-hunts for Bolsheviks. The Senate rejected the Treaty of Versailles. America closed down Ellis Island and slammed the door against new immigration. What followed in the '20s was the "era of good feeling," a period with some resemblance to Reagan's '80s.

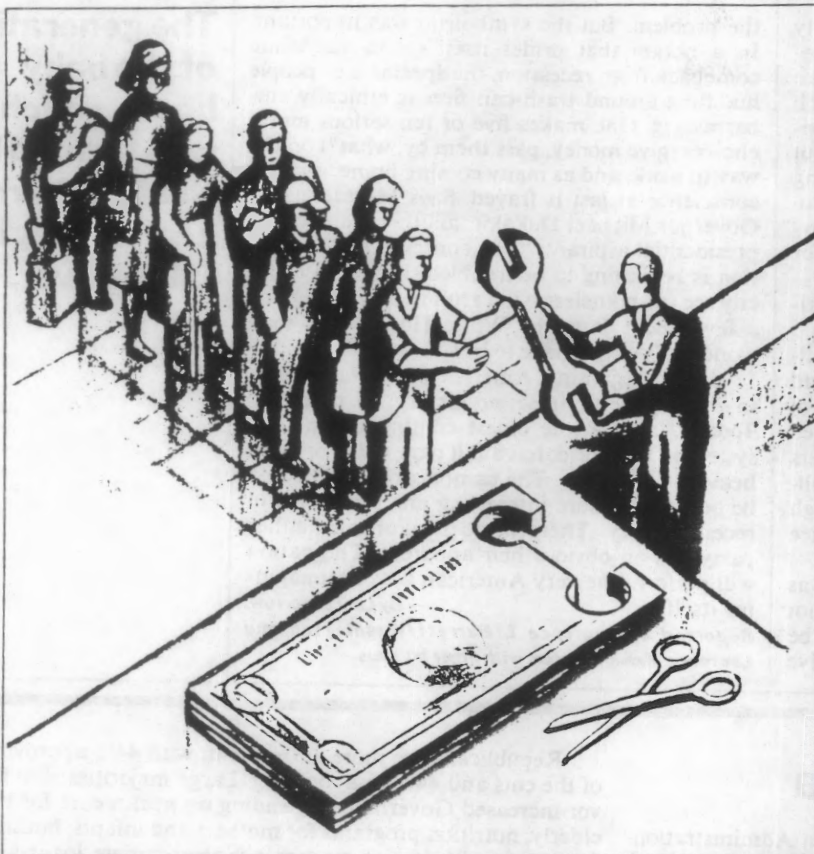
The next cycle turned on the Great Depression, the New Deal and World War II, followed by the backlash of McCarthyism and the era of relative calm and prosperity during the 1950s and early '60s. Then the real '60s: turbulence, crisis, war, the rhetoric of revolution.

Reagan's election in 1980 was less a new starting point than the cresting of a conservative-populist movement that began with Richard Nixon's election in 1968. That year, the Middle American constituency struck back against the activist '60s—against antiwar protesters, against the civil rights movement and the sexual revolution, against high taxes. Government regulation, the Washington elite, the Woodstock generation, George Wallace, was in full cry against "pointy-headed intellectuals." The Nixon-Agnew ticket swept into power. Watergate brought Gerald Ford's brief period of consolidation and then the

Big Business corpulence, combined with the scandals and takeovers on Wall Street, bolsters the perception of greed run wild.

Nixon		Ford		Carter		Reagan	
Woodstock concert	ME DECADE	Nixon resigns	Wallace suicide	Supreme Court outlaws racial quotas	Three Mile Island accident	Air controllers strike	Yuppies
Apollo 11 landed on moon	Viet Nam cease-fire	Arab oil embargo	Bicentennial	Hostages seized in Iran	1980	Challenger explodes	Statue of Liberty celebration
1970	1975	1975	1975	1980	1980	1985	transcom

72x



The emphasis is on "tough love," an aggressive compassion designed to end dependencies and get people self-sufficient.

anomaly of Jimmy Carter, who came to Washington campaigning against Big Government, just as Reagan did four years later.

What is the legacy that Ronald Reagan leaves? "The Reagan revolution," observes Political Analyst Richard Scammon, "never moved as far as many on the left feared it would, or many on the right hoped it would." Just so. In American governance, the pendulum rarely makes radical swings. Change generally comes by evolution, not by sudden transformation. The only radical changes, the elections of Lincoln and F.D.R., for example, occur at times of severe national stress.

"The main achievement of the Reagan Administration," argues Norman Podhoretz, the neoconservative editor of *Commentary* magazine, "has been to move the country in a different direction, which was much more consistent with traditional American constitutional, legal and cultural values." Podhoretz distinguishes between the actual performance of the Administration and the general direction in which Reagan tried to move the nation. He has always approved of Reagan's intentions, but thinks he fell short in the performance.

After a half-century, Reagan sought to steer America on a course away from the New Deal. And yet, in doing so, he more than doubled the national debt. He was unable, or unwilling, in a term and a half to tackle middle-class entitlements, such as Social Security, Medicare and wildly excessive farm-support programs Reagan bequeaths that burden to future Presidents.

The legacy of Reagan the great American imagist lies as much in the realm of the symbolic as in the area of hard accomplishment. One of his great achievements was to restore the morale of the American people for a time, just as he restored—for a time—a faith in the institution of the presidency and in the idea of presidential

leadership. He persuaded the American people that their optimism was once again valid.

The nation in the next few years will be groping toward a new definition of itself. Now a new generation comes to power. Those marked by the formative experiences of the Depression and by World War II will leave the stage. The generation of the baby boom, which was formed by the Viet Nam era, will begin taking over.

Each party is now struggling toward its candidate, its theme. The task is harder for Republicans, who are reluctant to break abruptly with Reagan and Reaganism. Still, Congressman Jack Kemp tries to stir a "sense of activism" with ideas for a flat tax with a low rate and "enterprise zones" to bring businesses to depressed areas. Vice President George Bush, who now must ease judiciously out of the Reagan shadow and establish himself as his own man, told TIME, "There will be a reordering of priorities, and it isn't inconceivable, in the future, that there will be more emphasis [on Government's role]. I do think there is a certain feeling [concerning] tolerance, compassion, understanding, caring. I think there's a reawakening in those areas." Robert Dole, in his latest speeches, stresses the need to combine conservatism and compassion.

Gary Hart, the Democratic front runner, declares, "For all practical purposes, we have entered the post-Reagan years." But he knows that the Democrats "won't win by default, or because of some historic trend or tide. We must offer some concrete alternatives to the laissez-faire philosophy of this Administration and to its militaristic foreign policy." Most of the Democratic candidates are cautious about criticizing "militarism," for fear of being tagged antidefense, and even more cautious about advancing big-spender ideas; the national deficit is already ruinous. Hart talks about a "more important role for Government, not necessarily a larger one." Joseph Biden is somewhat more inspirational, evoking generational memories of John Kennedy and Martin Luther King Jr. and constantly quoting a hymn: "And he will raise you up on eagle's wings, / and bear you on the breath of the dawn . . ."

Only Jesse Jackson preaches the old-time religion, a classic populism of the left. Trying to expand his coalition of the dispossessed, middle-class workers and distressed farmers, Jackson calls unashamedly for large increases in programs for education, health and public housing.

Some Democrats delude themselves that they can ignore Reagan's legacy and return to the old Democratic practice of tax and spend, as if it were still 1964. At the California Democratic Convention at the end of January, the public address system blared *Happy Days Are Here Again*, and many delegates sank into a liberal nostalgia, dreaming of a redistributed American pie. Clinton Reilly, a moderate Democrat and political consultant, listened to the rhetoric and shook his head. "One reason for Reagan's success," he said, "is that he appealed to the self-interest of the middle class. If Democrats don't learn to make the same appeal, if they only talk about the needs of the poor and don't include the middle class, they're going to lose again."

The Democrats last year recaptured control of Congress because they fielded better candidates, but also because they were more finely tuned to people's thoughts about what the Government ought to be doing. The Democrats were well in control on Capitol Hill by Christmas.

With the Administration weakened, the party leaders swung into place the long-deferred Democratic agenda, items thwarted during the Reagan years: education, job training, increased research for AIDS and health care. Says Democratic Hopeful Gephardt: "I don't think people care about Government or no Government. They're willing to use Government if it is part of the solution. People want things to be solved. They want the Government to make airlines safe, to find a cure for AIDS, to prevent more Boesky's."

To be successful in the next phase of American politics, candidates and parties must come up with specific, tough-minded solutions to well-perceived problems. It will take great sifting and discipline. The recent congressional override of Reagan's veto of the clean-water bill suggested hearts in the right place (the public considers clean water a necessity, not a luxury, and is willing to sacrifice for it) but minds not yet tough enough to resist temptation (the bill was a nice display of logrolling).

A bill for emergency aid to the homeless was passed by Congress last month. That was not tough-minded either, since the \$50 million to be spread around the entire country can hardly solve

the problem. But the symbolism was important. In a nation that prides itself on its economic comeback from recession, the spectacle of people huddling around trash-can fires is ethically embarrassing. One makes five or ten serious moral choices (give money, pass them by, what?) on the way to work, and as many coming home, and the conscience at last is frayed. Says Massachusetts Governor Michael Dukakis, another Democratic presidential aspirant: "The conscience of the nation is beginning to be troubled. People in every city see the homeless lying around on grates, even a few blocks from the White House. And they wonder, Does this have to be?"

In the beginning, America was a blank page, in Tocqueville's phrase: no history, all potential. Today America, the oldest continuous political system in the world, has a full page of history and heavy debts to pay. The campaign of 1988 could be one of the more interesting and important in recent history. There is no incumbent; neither party has an obvious heir apparent. The nation will perform the very American act of reimagining itself.

—By Lance Morrow.

Reported by Laurence I. Barrett/Washington and Lawrence Malkin/Boston, with other bureaus

The generation of the baby boom, which was formed by the Viet Nam era, will begin taking over.

The Public's Agenda

Despite six years of effort by the Reagan Administration to reduce the Federal Government's role in American life, a large majority of people still insist that Washington should be deeply involved in keeping the U.S. healthy, well housed and well educated. According to a poll taken for TIME by Yankelovich Clancy Shulman,* 77% of the public feel that in the future the Federal Government should play a more active role in such areas as health, housing, education and help for the poor. And 60% of those questioned—including 49% of Republicans—say they would support increased spending for social programs even if it meant paying more in taxes. Most critical, 56% of Americans now say they would prefer having a President in 1988 who would spend more on social needs, while only 33% would like a President who would keep such spending at current reduced levels.

Fewer than one-third of those surveyed (31%) still support increased Government spending for the military, and 69%—including 55% of Republicans—say they would spend more on social programs than on the military if they had to choose between the two. Public opinion has changed on this issue as the Reagan Administration has fulfilled its mandate: in the last year of the Carter Administration, 78% favored spending more for national defense.

The public is not entirely pleased with the Administration's tighter spending policies. The poll found that 62% of Americans are aware that there have been cutbacks in some social programs during the Reagan years; 61% of the public disapprove of them.

*The survey of 1,014 adults was taken by telephone Feb. 17-18. The potential sampling error is plus or minus 3%.

Republicans are more ambivalent, with 44% approving of the cuts and 44% disapproving. Large majorities now favor increased Government spending on health care for the elderly, nutrition programs for mothers and infants, housing for people with low or moderate incomes, more loans and grants to college students, cleaning up the environment and reducing acid-rain pollution. At the same time, those surveyed are cool toward additional spending on food stamps and the space program, with only about a third favoring increases in these areas and about the same number wanting to hold spending about where it is now.

More than a third of those surveyed want to cut spending on the President's Strategic Defense Initiative, although 49% want spending increased or kept the same. In October 1986, at the time of the Reykjavik summit, public approval for Star Wars stood at 64%.

Americans are still generally satisfied with the overall state of affairs in the country: 60% say things are going well, a drop of only two points since last September. The percentage

of those citing the economy as a major problem dropped dramatically, from 50% of those polled in September 1985 to 33% today, as inflation and interest rates have withered and stock prices have leaped to record highs. Nor is there widespread concern about the federal deficit: only 12% of the people polled now consider Government spending a major problem, in contrast to 22% as recently as September 1985. For all the public attention drug abuse has received, only 9% cite it as a particular worry.

A great concern for Americans is the nation's schools: 56% agree that U.S. education is poor, and 49% say educational standards have become worse. Fully 65%, meanwhile, favor giving "substantially higher pay" to teachers to improve the schools.

Should Government spending be increased, decreased, or kept the same?

	Increased	Decreased	Kept same
Health programs for the elderly	78%	2%	18%
The environment	73%	5%	19%
Aid to the homeless	71%	5%	21%
Health services for the poor	71%	5%	22%
Nutrition programs for mothers and infants	55%	6%	34%
Reducing acid-rain pollution	54%	11%	25%
Low- and moderate-income housing	54%	11%	32%
Loans and grants to college students	52%	15%	29%
The food-stamp program	33%	24%	36%
The space program	33%	27%	34%
The military	31%	25%	38%
Star Wars	23%	35%	26%

74x

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Newark, New Jersey
May 3, 1986

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Bishop Alfred Dunston
Freeman, Ellis
Kelly, William
Lee, Wallace
Maize, III, George, W.
Parriott, David
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Venable, Rev.

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McNally, Beverly
Smith, Elnora
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Savoy, Clarence, M.

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Stanfield, Jean
Thomas, Laughton, D.
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Father Thomas
Townley, Rick

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Oates, Caleb
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Dahlquist, Arnold
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Strickler, Joan
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REFORMED CH. IN AMERICA

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1986-1987
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Mr. Chairman, members of the State Government Committee, my name is Esther Abrams, I live in Princeton, NJ and I am Chairman of the New Jersey State Legislative Committee of the American Association of Retired Persons, or AARP. I am here representing the over 900,000 AARP members in New Jersey.

The AARP nationally, as well as on the state level, is opposed to calling for a constitutional convention for the purpose of writing a balanced budget constitutional ammendment. Proponents of attempting this convention method for the first time in our history claim that it can be limited to one issue, a balanced budget. However, representatives of groups with many different political viewpoints, as well as legal scholars, have shown that in Article V there is no enforceable mechanism to prevent a convention from reporting out wholesale changes in our Constitution and Bill of Rights.

The AARP has over 24 million members nationwide, and these members have many diverse viewpoints. Since Article V does not include any guidelines or procedure for the convening and functioning of a convention, and since there is no enforceable mechanism to ensure representative selection of delegates, there is also a clear danger that a runaway convention in the hands of single-issue groups would take away our most precious freedom, the right to express these diverse viewpoints.

AARP members have lived through severe challenges to our Constitution during the great depression and World War II; and we have fought in various ways to preserve the precious freedoms our Constitution provides for people of all ages and beliefs. We urge you to vote against ACR-54 and to place New Jersey in the forefront of those who are working to preserve our United States Constitution

Esther C. Abrams
Chairman, N.J. SLC

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LEAGUE OF WOMEN VOTERS OF NEW JERSEY

204 WEST STATE STREET, TRENTON, NEW JERSEY 08608 / TELEPHONE 1-800-792-VOTE / 609-394-3303

Testimony on ACR.54 before
Assembly State Government Committee
April 13, 1987

Good morning. I am Marie Curtis, Legislative Vice President of the League of Women Voters of New Jersey. We appreciate the opportunity to address the committee on ACR.54. The League of Women Voters of New Jersey opposes ACR.54. We believe this measure, if passed, could threaten the democratic framework of our country. The League of Women Voters also opposes ACR.54 for fiscal reasons.

All of us are concerned that the federal deficit has grown out of all proportions. The League of Women Voters believes that the current federal deficit, as projected to 1990, should, and must, be reduced. To accomplish this, the government should rely primarily on reductions in defense spending through selective cuts and the elimination of waste and duplication. The League opposes across-the-board federal spending cuts.

We recognize that deficit spending is sometimes economically appropriate and necessary. The League therefore opposes a constitutionally mandated balanced budget for the federal government. We could support deficit spending, if necessary, for stimulating the economy during recession to avoid depression, for meeting social needs in times of high unemployment, or for meeting defense needs in times of national security crises. When survival is at stake, as in WWII, for instance, government needs flexibility.

ACR.54 also seeks a constitutional convention. This concept is dangerous to our way of life. The League of Women Voters believes in representative government, in the individual liberties established in the Constitution of the United States, and in the balance of powers set up by the Constitution. We believe that the system for amending our Constitution, as set up by our forefathers, has functioned well for two centuries. If a constitutional convention were to be called, our governmental system could be in jeopardy. Although this resolution refers only to a balanced budget amendment, once the convention is called, anything could happen. We recognize that legal and governmental

Continued

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experts disagree on the extent of the authority such a body would have. Professionals differ on the interpretation of the constitutional provisions for such a convention. We believe delegates to such a gathering could jeopardize our individual liberties.

Our Constitution has functioned admirably for 200 years, through prosperity and adversity. In this bicentennial anniversary year we should not tamper with this most remarkable and successful document.

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Congressional Record

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WASHINGTON, TUESDAY, MARCH 25, 1986

No. 38

Senate

BALANCED BUDGET CONSTITUTIONAL AMENDMENT

Mr. BRADLEY. Mr. President, the issue of balanced budgets has been before this body many times. It seems that we spend more and more of the Senate's time debating Federal budget policy. Just last year, the Congress enacted the Gramm-Rudman legislation. In 1982, the Senate adopted a constitutional amendment to balance the budget. The constitutional amendment now before the Senate is very similar to the measure adopted by the Senate in 1982, but rejected by the House.

Mr. President, as with so many of the issues debated in the U.S. Senate, Members are deeply divided over this issue. But we all agree that deficits must be reduced. We all agree that we cannot afford to continue to accumulate the biggest budget deficits in our history.

And we all agree on the problem. The problem, as we all know, is that Congress and the President—in our desire to meet the many needs of the American people—find it easier to expand programs and to cut taxes than to eliminate programs and to increase taxes.

The consensus disappears, Mr. President, when we debate how to bring down deficits. Although I do not concur, I recognize that most members in this body are convinced that we need to be bound to a balanced budget. The longer we debate these issues the more I am convinced that we don't need procedural or constitutional answers to the deficit problem. The Senate has all the procedures it needs to reduce deficits. It lacks the will.

I believe that a constitutional amendment is not the answer. Enactment of this legislation would be bad economic policy, would be bad public policy and would be bad constitutional policy.

First and foremost, Mr. President, a constitutional amendment requiring a balanced budget is flawed thinking about economics. Indeed, adoption could pose a very serious threat to the economic health of the nation. Establishing a constitutional requirement for a balanced budget drastically re-

duces the flexibility which the Constitution now gives to the President and Congress to pursue policies which promote economic growth and stability.

Mr. President, a study was recently conducted by Data Resources, Inc. simulating the economic impact of a balanced budget in fiscal year 1983, when the economy had not yet recovered from the recession. According to their projections, the effects would have been devastating. In 1983, real GNP would have declined by 4 percent rather than growing by 3.4 percent. By the end of 1985, had the budget been required to be balanced in 1983, real GNP would still be below its 1981 level. The unemployment rate in 1985 would have been 12.4 percent. Now maybe these projections are too pessimistic. But I remain convinced that it would not have been good economic policy to balance the budget in 1983.

Mr. President, after ratification of this constitutional amendment, what if we find out that we were wrong? It takes years to amend the Constitution. And it can also take years to repeal an amendment to the Constitution.

What we enact today in this body by statute can be removed tomorrow by statute. This is not the case for a constitutional amendment. If a majority in this body wants a balanced budget, then let us pass statutes requiring it; but let us not tie the hands of future Congresses by including this travesty in the U.S. Constitution.

Mr. President, I also want to discuss the impact of inflation on real deficit spending. Some economists would say the inflation premium built into government payments on the public debt should not be matched by revenue. With interest rates at 8 percent and inflation at about 4 percent, the Government pays about \$80 billion a year just to help Treasury bill holders keep up with inflation. But under a balanced budget amendment, the Government would have to raise that \$80 billion through additional taxes. That means that the public gets taxed twice—once through an inflation tax on the real value of Treasury bills, and once through direct taxes. Yet the public receives only enough to cover

the inflation-tax. So under a balanced budget regime, the Government will actually drain resources from the public as long as inflation stays above zero. If this is so, then this is so, then this is a good deal for the Government, but a terrible one for constituents.

Mr. President, there is one last point I would like to make on the economic consequences of the balanced budget proposal now before us. This amendment has a strong bias toward increased taxes. Under the amendment, it takes 60 votes for Government to spend more than it takes in, but only a constitutional majority—51 votes—to raise Government's revenues. Imagine a year at the start of a recession when a deficit looms up after we are already into the fiscal year. The Constitution requires a balanced budget and Congress cannot marshal 60 votes for deficit spending. But only 51 Senators are needed to raise revenues.

What will happen, Mr. President? Taxes will be raised. Is that good economic policy, Mr. President? Of course not. Raising taxes during a recession is widely accepted by almost all economists as precisely the wrong thing to do—a prescription for worsening economic conditions.

Mr. President, I also oppose the balanced budget amendment because of the devastating effects it could have—particularly during a recession—on defense and nondefense Federal priorities.

In January 1981, President Carter projected that the 1982 budget deficit would be \$28 billion; the actual 1982 deficit was \$111 billion. In January 1982, President Reagan projected that the 1983 deficit would be \$92 billion; the actual 1983 deficit was \$195 billion. A significant share of the disparity in these projections was directly related to a miscalculation of the magnitude of the 1982 recession. What would have happened if the balanced budget amendment had been the law of the land in 1983? We would have had to drastically cut programs or raise taxes almost \$100 billion more than anticipated at the beginning of the year.

We currently have in place many programs that operate as automatic stabilizers. These programs—such as unemployment insurance, food stamps, and AFDC—assist those people who are most directly affected by a sagging economy. While Congress has never been very good at fashioning effective, recession-specific countercyclical spending programs, these automatic stabilizers do provide needed benefits in time of need.

Under the proposed constitutional amendment, unless 60 Senators agreed, these automatic stabilizers would have to be curtailed or other programs would be sacrificed to keep them going. Spending automatically increases during times of recession to protect people in need; having to balance the budget during times of recession hurts people in need.

Finally, Mr. President, what about defense spending? How would it fare if we enacted the balanced budget amendment? Since defense spending is the largest discretionary component of Federal spending, it is the area that would probably suffer the greatest disruptions. Roy Ash, the OMB Director under Presidents Nixon and Ford, recently pointed out:

The provision in the proposed amendment waiving its effect if war is declared is too blunt an instrument to deal with real defense needs. It is much more desirable to manage defense policy so as to avoid the declaration of war. That usually involves the build up of forces to deter others and, if absolutely necessary, to prepare for war. It is ironic that the proposed amendment would require a 60-percent vote to override budget balance so as to avoid war, yet only a 50-percent vote is required to declare war.

Finally, Mr. President, I object to this amendment on constitutional grounds. Since the adoption of our Constitution in 1789, the amendment process has been used very sparingly. Twelve of the 26 amendments to the Constitution protect the rights of individuals: These include the Bill of Rights, the prohibition of slavery, and the guarantee of due process and equal protection. Five of the 26 amendments extend the right to vote: To all races, to both sexes, to the District of Columbia, to all income classes—that is, prohibiting a poll tax—and to 18-year-olds. Seven of the 26 amendments deal with how our Government should be structured: Judicial power, the electoral college, counting former slaves in apportionment of the House of Representatives, the income tax, popular election of Senators, fixing dates of congressional sessions, and Presidential inaugurations, tenure, disability, and succession.

Of the 26 amendments enacted, all but two have been drafted to correct a flaw in the original structure of the Constitution or to protect the fundamental rights of American citizens. Care has been taken to avoid endorsing specific programs or to impose restraints on the Government's need to act beyond the minimum necessary to assure individual liberties and preserve a Federal system. The only two exceptions are the amendments which were passed to establish prohibition and then to repeal it.

Prohibition—established by the 18th amendment and repealed by the 21st amendment—was a scar on the face of our Constitution. Its proponents screamed, "Keep us from drinking!" only to find there was not the will equal to the words.

Mr. President, I find a parallel between the Prohibition amendment and the balanced budget amendment. Proponents of the amendment scream, "Keep us from spending!" only to find that there must be the will to equal the words.

In my opinion, and in the judgment of many noted legal scholars, the proposed balanced budget amendment is more like the prohibition amendments than any of the 24 others dealing with individual liberties or Government structure. Like the prohibition amendments, the balanced budget amendment reflects more transitory concerns. Our experience in the case of prohibition should not be ignored now.

The Constitution is our most important public document, the foundation of our democracy. There is no need to change it in any way in order to achieve a balanced budget. Nothing in the Constitution stands in our way. We can have a balanced budget whenever enough Members of Congress are ready to vote for one, and it is either an illusion or a self-revealing admission to say that Senators have so little discipline that we need to change the fundamental law of the land to force us to do what we have the power to do now.

In conclusion, Mr. President, the balanced budget amendment makes no sense. In fact, while I believe that reducing the deficit is absolutely essential, balancing the budget is not. Contrary to the sponsors' favorite analogy, the national government is not similar to a household. Nor is it similar to a State government. The national government has national economic responsibilities that mandate money be spent under certain economic conditions. That is the price of humane government in the 20th century.

Mr. President, sizable deficit reduction will not occur until members have the will to make the difficult political choices that we all know have to be made. And it is those tough choices we are elected to decide. Just as we exercise our judgment on other legislative issues, the public has a right to expect their elected officials to exercise judgment and moderation in responding to our serious fiscal and economic problems.

Instead of making tough choices, we are putting in place a lengthy process to absorb the attention of Congress and the States in an effort which at best will not be timely enough to solve our current economic problems and at worst will create new ones.

I urge my colleagues to join me in opposing the balanced budget amendment.

S T A T E M E N T

of

Gayle Brody Sorkow

on behalf of

The New Jersey Area of
THE AMERICAN JEWISH COMMITTEE

on Assembly Concurrent
Resolution #54

A CONCURRENT RESOLUTION APPLYING TO THE CONGRESS OF THE UNITED STATES OF THE CALLING OF A CONVENTION FOR THE PURPOSE OF PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES.

before the

STATE GOVERNMENT COMMITTEE

April 10, 1987
Trenton, NJ

My name is Gayle Brody Sorkow. I am the Executive Director of the N.J. Area of The American Jewish Committee. Thank you very much for the opportunity to present testimony at this public hearing. Since its founding in 1906, The American Jewish Committee has been vitally concerned with the constitutional rights, freedoms and responsibilities of all Americans.

Article V of the Constitution, as we know, provides, in pertinent part: "The Congress...on the application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments, which...shall be valid...when ratified by the legislatures of three-fourths of the several states...." But Article V is silent concerning procedures and guidelines for the convening and functioning of a convention.

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The only other constitutional convention America has ever had, of course, was in 1787. It was called to revise the Articles of Confederation, but it went beyond its mandate, scrapped the old document, and drafted a whole new Constitution, the one we are living under today, as amended. Although the campaign for a new convention is focused on the balanced budget issue, once a constitutional convention is assembled there is really nothing to prevent "open season" on the rest of the Constitution, for example, the First Amendment, as well as on other provisions of the Bill of Rights which some disgruntled citizens may find objectionable. The actual language of Article V, it should be stressed, speaks of "a convention for proposing amendments" - plural. Specifically, there is little question that if a convention were to be held today, powerful drives would be mounted, among many other things, to nullify the Supreme Court decisions which prohibit organized prayer and religious instruction in public schools. In short, it could be a "runaway" convention.

The drive for a national constitutional convention has been fueled by the determination, in many ways understandable, to bar deficit spending by the Federal government. But unless this campaign is blunted, our country may be moving into a major constitutional crisis which could do serious damage to the body politic. Legal scholars have expressed grave reservations about the convention route for amending the Constitution because it is untested, unclear, and would require legislative and/or judicial resolution of countless controversial questions before they could be implemented.

There are virtually no ground rules or precedents to follow. Here are just a few of the questions that could plague us: Must the state applications be on the same issue and contain identical language? What period of time is allowable for passage of applications? May a state legislature withdraw its application? Are issues arising during the convention process or procedures justifiable in courts of law? What is the proper manner of delegate selection? How are internal rules of the convention to be made, who presides, and what power does the presiding official possess? Does Congress even have the authority to provide answers to questions such as these, or does the convention itself?

The first convention, of course, produced our venerable Constitution. But we may not be so lucky next time. If a convention meets and considers its agenda, the only restraint on it may well be whatever restraint it imposes on itself. If it does not practice self-restraint and goes beyond its mandate, it is quite likely that there will be no way to rein it in. It is entirely possible that the courts and Congress will be powerless to intervene. Congress may not be able to restrict the agenda of a modern day convention any more than the Continental Congress was able to restrict the original convention of 1787. Even if Congress were to adopt convention procedures, once convened, there is nothing to prevent a convention from rejecting any or all Congressional restrictions on its activity. Such a convention might well deem itself, as did the 1787 assembly, as the supreme constitutional body and justified in enacting wholesale

constitutional change. If this is the case, the only restraint would come at the very end when the states would be called upon to approve or disapprove the convention's work.

State ratification can be accomplished either by the state legislature or by a ratification convention. The convention process would set off a chain reaction of "delegate packing" campaigns by special interest groups. Either ratification method could take several years, throwing the nation into constitutional limbo and even creating international uncertainty about the stability of our government. None of this is very reassuring. As Charles Cotesworth Pinckney of South Carolina said at the conclusion of the 1787 convention, "Conventions are serious things, and they ought not to be repeated."

Our government must, of course, find better answers to the agonizing and persistent problem of deficit spending. But those answers will hardly be found in the straitjacket of a constitutional amendment which could not possibly respond to economic fluctuations. Moreover, the worst possible forum for deliberating on critical economic policy issues would be the constitutional convention now being proposed, one which could well be uncontrollable and subject to the most emotional and demagogic appeals. The answers to our complex economic problems must be found, through more effective use of our existing political machinery, through courageous actions on both the executive and legislative levels. That's where the responsibility belongs: on the President and the Congress.

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The threat to our basic liberties which a constitutional convention would entail is not trivial. One of the frightening things about these pressures for a convention that have been increasing for the past few years is that so few people know very much about them. On the whole, it has not been a subject of serious public discussion. Surely all Americans who value our hard-won basic freedoms, and recognize the difficult evolutionary process through which they have developed, will not want to put them at the mercy of an uncharted and possibly free-wheeling convention, no matter what their views on a balanced Federal budget may be.

If we take such great care, as of course we do, when we consider a single amendment to the Constitution, how much more cautious ought we to be before endorsing a call for a constitutional convention that might drastically revise the entire set of structures and relationships of our government and people.

In the words of James Madison, "Having witnessed the difficulties and dangers experienced by the first Convention which assembled under very propitious circumstances, I should tremble for the result of a second."

In view of the foregoing, it is without question that the risks posed by a constitutional convention far outweigh the possible benefits. If our citizenry truly believes that a balanced budget is essential to proper government, there is no reason that a balanced budget amendment cannot be proposed.

Simply put, it is out of proportion to seek a constitutional convention, with its unlimited dangers, in order to solve a problem that can be solved by a more direct approach. For all these reasons, we urge that the Committee defeat this resolution.

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I am Frank J. Coppa a private citizen. I welcome the opportunity to express some thoughts on ACR 54. I would like to briefly outline some of the provisions of the Constitutional Convention Implementation Act of 1985. (U.S. Senate Report 99-135, 99th Congress, 1st session). This act requires delegates support the Constitution of the United States as well as the provisions of the Act. The Act requires that the rules governing the convention be determined by three-fifths of the total number of sworn delegates. The convention will be opened by the President of the Senate and the Speaker of the House of Representatives acting jointly, they will preside over the convention until the convention elects its own officers. Voting at the convention is not by unit vote i.e., states, but by individual delegates. Each delegate is entitled to one vote. The actual length of the convention is to be six months and the convention is to advise the public in a "timely manner". Moreover, the convention is limited by the Act and may not propose an amendment or amendments outside the reasons for its call. The product of the convention is submitted to Congress to ensure the convention has not exceeded its authority. The Congress then selects the mode of ratification, i.e., state legislatures or state conventions and a time period for ratification, i.e., not less than four years. If the Congress abuses its authority a state may appeal to the Supreme Court for relief. The Act quotes from distinguished scholars pertaining to the limitations of subject matter at a constitutional convention. Among these legal scholars are Professor Paul Kauper, University of Michigan Law School, U.S. Senator Sam Ervin, Professor Wallace Mendelson, University of Texas, Professor Phillip Kurland, University of Chicago Law School, Professor John Noonan, University of California School of Law, Professor Thomas Cooley et.al. In the words of Professor Henry Campbell Black,

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"A Constitutional convention has no authority to enact legislation of a general sort, and if the convention is called for the purpose of amending the Constitution in a specific part, the delegates have no power to act upon and propose amendments in other parts of the constitution" (West Publishing 1927, p. 45 as quoted in U.S. Senate Report 99-135 p. 60, 99th Congress, 1st session p.60).

Or in the words of Professor Paul Bator,

"On the strict legal question, the better view is that there is nothing in Article V to prevent the Congress from limiting the constitutional convention to the subject that made the States call for it" (Professor Paul Bator, Harvard Law School "A Constitutional Convention: How Well Would It Work" (American Enterprise Institute Forum, 1979 pg. 78 as quoted in U.S. Senate Report 99-135, 99th Congress, 1st session p. 60).

Yet despite the testimony of so many distinguished legal scholars "few subjects, according to Senator Mathias, have been debated with more fervor by constitutional scholars in recent years. The results of that debate can only be characterized as inconclusive." (U.S. Senate Report 99-135, 99th Congress, 1st session p. 63). This is echoed by Senator Biden, "...some of this nation's foremost constitutional scholars have expressed to the Committee their opinion that Congress cannot statutorily limit a convention..." (U.S. Senate Report 99-135, 99th Congress 1st session p. 69). Professor Gerald Gunther in a letter to Senator Leahy writes "...I am persuaded by the text, history and structure of the Constitution that a constitutional convention, once it is convened, is essentially on its own bottom: it was intended to be and should be a separate, essentially autonomous forum of constitutional decisionmaking." (U.S. Senate Report 99-135, 99th Congress, 1st session p. 70).

Several issues remain, one is the age of the petitions. The American Bar Association Special Constitutional Convention Study Committee recommends seven years as did Senator Ervin's version of the constitutional convention act which passed the U.S. Senate in 1971 and 1973. In addition, in 1921 the U.S. Supreme Court in Dillon v. Gross established the principle of "contemporaneous consensus" for petitions - so that an amendment would not "...arise from an alliance between one generation and other" (U.S. Senate Report 99-135, 99th Congress, 1st session p. 74).

The delegates from each state would equal that states Congressional delegation. Two would be elected at large, the rest from congressional districts. Members of Congress and federal employees are excluded as delegates. The Act, according to Senator Mathias, does not address the question of age, qualifications or the need to be a citizen of the United States (U.S. Senate Report 99-135, 99th Congress, 1st Session, p. 67). Moreover, according to Professor Black of Yale Law School, the Act does not follow the principle of "one person - one vote". In earlier comments Senator Baucus of Montana sees the method of allocating delegates as a "...potential threat to Western interests... dominated by the powerful and populous Eastern and Midwestern states...and "...without substantially diverging from their original purpose, the delegates...might adopt...the power to veto individual items..." (U.S. Senate Report 98-594, 98 Congress, 2nd session p.76).

In other developments, in 1983 the Committee on the Constitutional System was incorporated - it included among its members Mr. Douglas Dillon, former secretary of the treasury in the Kennedy administration, Mr. Lloyd N. Cuthler, former counsel to President Carter and U.S. Senator Landon (Sundquist, 1986, p.8). Professor Sundquist participated in the deliberations of the Committee on the Constitutional System - and in his Constitutional

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Reform and Effective Government he lists priorities for government reformers.

1. The team ticket. This would prevent the voter from ticket splitting by combining each party's candidates for president, vice-president, senate and house (Sundquist, 1986, p.240.)
2. A four year term for House and eight for Senate.
3. "A method for special elections to reconstitute a failed government." This is defined as a "special election...callable at any time by the president or a majority of either house of Congress. All seats in both houses as well as the presidency and vice presidency should be filled at the election" (Sundquist, 1986, p. 240-241).
4. "Removal of prohibition against dual officeholding", i.e., permitting members of Congress to serve in the executive branch (Sundquist, 1986, p. 240).
5. A limited item veto (Sundquist, 1986, p. 241).
6. The return of the legislative veto (Sundquist 1986, p. 241).
7. Placing the terms of the War Powers Resolution in the Constitution (Sundquist, 1986, p. 241).
8. Approval of treaties by a majority of the membership of both houses (Sundquist, 1986, p.241).
9. ~~A national referendum to break deadlocks~~ (Sundquist, 1986 p. 241).

In the last chapter, Professor Sundquist relates the above to the balanced budget amendment "...Should the balanced budget movement succeed in compelling a convention, then, and that body decide to consider additional matters, critics of governmental structure would have an opportunity to advance any proposals that, because of their effect on the Congress itself, would not be likely to be initiated by the legislators in the normal manner" (Sundquist, 1986, pp. 245-246).

The federal budget deficit is a major threat to the quality of life. Is there an acceptable course of action? Perhaps a suggestion is found buried in the call for the direct election of United States Senators.

"...It is sometimes said that valid applications were received from two-thirds of the States in 1912 for such a convention and that Congress, in order to avoid a convention, reported a direct election amendment to the States in lieu of calling a convention..." (U.S. Senate, Report 99-135, 99th Congress, 1st session, p.12.)

"A review of the texts of applications submitted by the State legislatures that were printed in the Congressional Record shows that one of the resolutions often cited was not an application but merely a memorial from a State urging that the Congress propose an amendment on direct election.." (U.S. Senate Report, 99-135, 99th Congress, 1st session p. 12.)

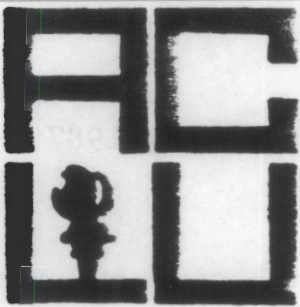
If the purpose is to balance the federal budget, careful examination should be given to the "memorial" i.e., legislative proclamations. Such "memorials" would not call for a constitutional convention, but would call to the Congress and the media the urgency of requiring a balanced federal budget. In my judgement these "memorials" could be approved by the thirty four or more state legislatures in less than one year. Such an action, so swiftly undertaken, might through the mobilization of public opinion, although not legally require, prompt Congress to adopt a balanced budget amendment.

Sources:

Constitutional Convention Implementation Act of 1985. Report together with Supplemental and Additional Views of the Committee on the Judiciary, U.S. Senate on S. 40 as amended. Sept. 10, 1985. 99th Congress, 1st Session, Report 99-135.

Constitutional Convention Implementation Act of 1984. Report together with Supplemental and Additional Views of the Committee on the Judiciary, U.S. Senate on S. 119 as amended. August 10, 1984. 98th Congress, 2nd Session, Report 98-594.

James L. Sundquist, Constitutional Reform and Effective Government (Wash., D.C. The Brookings Institution, 1986).



American Civil Liberties Union of New Jersey

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October 27, 1986

Hon. Richard A. Zimmer
Chair
Assembly State Government Committee
State House Annex, CN-068
Trenton, New Jersey 08625

Dear Assemblyman Zimmer,

As I testified before your Committee on October 21, 1986, the American Civil Liberties Union of New Jersey opposes ACR 54, which petitions Congress to call a constitutional convention to propose an amendment to the United States Constitution requiring a balanced budget.

The ACLU recognizes that Article V provides for a constitutional convention as one method of proposing amendments. However, we oppose use of that method in the absence of legislation or rules insuring in advance, at a minimum, that delegates to a convention would be fairly representative, that the rules for conduct of the convention will protect the civil liberties of the participants and the public, and that the convention will confine itself to the subject of the call. There is no existing federal legislation assuring the convention would be so constituted and conducted. Moreover, neither ACR 54 nor any of the other state petitions for such a convention require such limitations. Under these circumstances, the ACLU of New Jersey opposes this call for a convention as an alternative to having Congress propose the amendment, which is the method of amending the Constitution that has been used without exception since its adoption.

Thank you for affording us the opportunity to comment on ACR 54. Please let me know if you have any further questions about our position.

Sincerely yours,

Eric Neisser
Legal Director

EN/rds

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39 East 26th Street
Bayonne, New Jersey, 07002
858-8337

April 7th, 1987

YOUR OPINION COLUMN
The Jersey Journal
30 Journal Square
Jersey City, New Jersey, 07002

Dear Editor:

I would like to point out that the World Congress of World Association of World Federalists have somehow wormed, (and I do mean wormed) their slimy ways into the official itinerary of the celebration of our Constitution's Bicentennial.

Representing 20 nations and making no bones about their part in the creation of a One-World-Government, they intend to meet, on August 6th - 9th, at the University of Pennsylvania, - in supposed celebration of the U. S. Constitution, when, in fact they really hope to scuttle it, at a future date, in favor of their World Constitution. Gross hypocrisy!

The first question that comes to mind is - WHY is the Bicentennial Committee allowing foreign and treacherous powers to participate in what is supposed to be An American Affair; - especially when those forces do not hold with the idea of sovereignty, for any nation, the world over which they eventually hope to rule? WHY are their names even listed on the Bicentennial Calendar of events, in the first place?

At a time when borders to the North and South of the continental United States are being undermined, by both ruses of 'free trade' and 'catching drug-runners', respectively, - we do not need the likes of the World Federalists undermining our Americanist ideals any further than they already are. (Border-busting is one of the primary steps toward bringing the U. S. into a World Order.)

If anyone is as outraged as I am over this unhappy turn of events I hope they would make their feelings known to, not only the University of Pennsylvania, for their part in catering to those who do not wish our Constitution, nor Country well, - but also their Representatives and the President, in Washington, D. C.

Sincerely,

Ruth Glascott

Ruth Glascott

↑
Please -
next year
join your
in this effort!
Fiscalist?

96x

