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4 MARKUP OF

5 H.J.RES. 1, PROPOSING A BALANCED BUDGET AMENDMENT TO THE

6 CONSTITUTION OF THE UNITED STATES;

7 H.R. 1741, THE SECURE VISAS ACT;

8 H.R. 1932, THE KEEP OUR COMMUNITIES SAFE ACT OF 2011; AND

9 H.R. 966, THE LAWSUIT ABUSE REDUCTION ACT OF 2011

10 Thursday, June 2, 2011

11 House of Representatives

12 Committee on the Judiciary

13 Washington, D.C.

14 The committee met, pursuant to call, at 10:08 a.m., in

15 Room 2141, Rayburn Office Building, Hon. Lamar Smith

16 [chairman of the committee] presiding.

17 Present: Representatives Smith, Coble, Gallegly,

18 Goodlatte, Lungren, Chabot, Pence, Forbes, King, Franks,

19 Gohmert, Jordan, Poe, Griffin, Marino, Gowdy, Ross, Adams,

20 Quayle, Conyers, Nadler, Scott, Watt, Jackson Lee, Waters,

21 Cohen, Johnson, Pierluisi, Quigley, Chu, Deutch, and
22 Sanchez.

23 Staff present: Sean McLaughlin, Chief of Staff;
24 Allison Halatei, Deputy Chief of Staff/Parliamentarian;
25 Sarah Kish, Clerk; Jennifer Lackey, Clerk; Perry Apelbaum,
26 Minority Staff Director; and David Lachmann, Counsel.

27

28 Chairman Smith. [Presiding] The Judiciary Committee
29 will come to order.

30 Without objection, the chair is authorized to declare
31 recesses of the committee at any time.

32 And the clerk will call the role to establish a
33 quorum.

34 Ms. Kish. Mr. Smith?

35 Chairman Smith. Present.

36 Ms. Kish. Mr. Sensenbrenner?

37 Mr. Coble?

38 Mr. Gallegly?

39 Mr. Gallegly. Present.

40 Ms. Kish. Mr. Goodlatte?

41 Mr. Goodlatte. Here.

42 Ms. Kish. Mr. Lungren?

43 Mr. Lungren. Here.

44 Ms. Kish. Mr. Chabot?

45 Mr. Issa?

46 Mr. Pence?

47 Mr. Forbes?

48 Mr. King?

49 Mr. Franks?

50 Mr. Franks. Here.

51 Ms. Kish. Mr. Gohmert?

52 Mr. Jordan?

53 Mr. Poe?
54 Mr. Chaffetz?
55 Mr. Griffin?
56 Mr. Marino?
57 Mr. Marino. Present.
58 Ms. Kish. Mr. Gowdy?
59 Mr. Gowdy. Present.
60 Ms. Kish. Mr. Ross?
61 Ms. Adams?
62 Mr. Quayle?
63 Mr. Conyers?
64 Mr. Berman?
65 Mr. Nadler?
66 Mr. Nadler. Here.
67 Ms. Kish. Mr. Scott?
68 Mr. Scott. Here.
69 Ms. Kish. Mr. Watt?
70 Mr. Watt. Here.
71 Ms. Kish. Ms. Lofgren?
72 Ms. Jackson Lee?
73 Ms. Waters?
74 Mr. Cohen?
75 Mr. Johnson?
76 Mr. Pierluisi?
77 Mr. Quigley?

78 Mr. Quigley. Here.

79 Ms. Kish. Ms. Chu?

80 Ms. Chu. Here.

81 Ms. Kish. Mr. Deutch?

82 Ms. Sanchez?

83 Mr. Chabot?

84 Mr. Chabot. Here.

85 Ms. Kish. Mr. Gohmert?

86 Mr. Gohmert. Here.

87 Ms. Kish. Mr. Coble?

88 Mr. Coble. Here.

89 Ms. Kish. Mr. Jordan?

90 Mr. Jordan. Here.

91 Ms. Kish. Mr. Conyers?

92 Mr. Conyers. Present.

93 Chairman Smith. Are there any other members who wish

94 to record their presence?

95 [No response.]

96 Chairman Smith. If not, the clerk will report.

97 Ms. Kish. Mr. Chairman, 17 members responded present.

98 Chairman Smith. A working quorum is present.

99 And pursuant to notice, I now call up House Joint

100 Resolution 1 for purposes of markup.

101 The clerk will report the joint resolution.

102 Ms. Kish. "H.J.Res. 1, Proposing a Balanced Budget

103 Amendment to the Constitution of the United States.”

104 Chairman Smith. Without objection, the joint

105 resolution is considered as read.

106 [The information follows:]

107

108 Chairman Smith. And I will recognize for an opening
109 statement and then the ranking member.

110 First of all, I would like to thank Mr. Goodlatte, the
111 author of H.J.Res. 1, for his tireless efforts over several
112 Congresses in pursuing a balanced budget constitutional
113 amendment.

114 Americans want the Federal Government to curb
115 excessive government spending and erase the Federal deficit.
116 Since 1960, the annual Federal budget has been balanced only
117 six times, and the Federal deficit has climbed from \$300
118 billion in 1960 to over \$14 trillion today.

119 America cannot continue to run huge Federal budget
120 deficits. Financing Federal overspending through continued
121 borrowing threatens to drown Americans in high taxes and
122 heavy debt.

123 Members of Congress on both sides of the aisle
124 recognize this problem. Minority Whip Steny Hoyer has said,
125 quote, the course we are on will lead to public debt that
126 will exceed the size of our entire economy and the
127 Government will then only exist to do two things: fund
128 entitlement programs and make interest payments. End quote.

129 Despite a bipartisan recognition of the problem, in
130 recent decades Congress has not been able to regularly
131 balance the Federal budget. Several statutory attempts have
132 failed to bring Federal spending under control, from Graham-

133 Rudman-Hollings to the Budget Enforcement Act to statutory
134 pay-as-you-go requirements. Many have concluded that only a
135 constitutional amendment will work to impose fiscal
136 restraint and rein in out-of-control Federal spending.

137 According to President Reagan, quote, only a
138 constitutional amendment will do the job. We have tried the
139 carrot and it failed. With the stick of a balanced budget
140 amendment, we can stop Government squandering, overtaxing
141 ways, and save our economy. End quote.

142 We came very close to passing a balanced budget
143 amendment during the 104th Congress, falling just one vote
144 short in the Senate of the required two-thirds majority. It
145 is once again time for Congress to attempt to pass a
146 balanced budget amendment. Polls show that 95 percent of
147 Americans believe the deficit is a problem and that 65
148 percent of Americans are in favor of a balanced budget
149 amendment. If we want to make permanent cuts to Federal
150 spending, cuts that cannot be undone by future Congresses, a
151 constitutional amendment is the only answer. It is our last
152 line of defense against Congress' constant desire to
153 overspend and overtax.

154 Amending the Constitution is not easy, nor is it a
155 task that should be taken lightly. We have only amended the
156 Constitution 27 times, but America's continued economic
157 prosperity depends on changing our course on Federal

158 spending and growing deficits.

159 Democratic President and Founding Father Thomas
160 Jefferson believed that the public debt is the greatest of
161 dangers to be feared. Thus, Jefferson wished it were
162 possible to obtain a single amendment to our Constitution
163 taking from the Federal Government the power of borrowing.
164 End quote.

165 It is time that we listened to Mr. Jefferson and
166 passed a constitutional amendment to end the Federal
167 Government's continuous deficit spending. We must solve our
168 debt crisis to save our future.

169 That concludes my opening statement, and the ranking
170 member, the gentleman from Michigan, is recognized for his.

171 Mr. Conyers. Thank you, Chairman Smith and members of
172 the committee.

173 We come here today to consider an amendment to the
174 Constitution. And what a predicament legislatively we find
175 ourselves in. The Committee on the Judiciary has been asked
176 now to support a constitutional amendment which would not
177 allow tax cuts for the wealthiest, having already passed a
178 Ryan budget which would voucherize Medicare and reduce
179 entitlement programs in a great way.

180 Could someone explain to me how we are to perform
181 between this constitutional amendment and the drastic cuts
182 that have already been made by the House of Representatives?

183 Well, I will volunteer an answer for that. Not to
184 worry, Ranking Member Conyers, because the constitutional
185 amendment won't take effect for at least several years, if
186 it were to pass. So you don't have to choose between or
187 worry about the inconsistencies in the constitutional
188 amendment and the budget cuts that have already been
189 mandated by the conservative leadership in the House of
190 Representatives. So why worry?

191 Now, going back a little ways, because there are a few
192 members on the committee that were around the last time Newt
193 Gingrich with the Contract with America decided to support a
194 constitutional amendment. The only thing is that when you
195 compare the two, the Gingrich proposal is pretty modest
196 compared to the one that is on the table now because what we
197 are doing now is mandating cuts and requiring a super
198 majority to increase taxes and as well as a super majority
199 to even raise the debt ceiling, which I understand has to be
200 determined according to the Speaker of the House by the end
201 of this current month.

202 Now, a super majority would require three-fifths of
203 the entire House, not Members present. Three-fifths of the
204 entire House would be required.

205 And there would be also a 20 percent cap on any
206 increase in Federal Government outlays in the gross domestic
207 product. Now, there have been increases in the gross

208 domestic product in every year since the Great Depression of
209 1932 with the exception of 2008.

210 So to increase the debt limit under this proposal
211 before us, it would require a three-fifths vote in each
212 house.

213 Now, I would suggest, if we think about this for the
214 next couple hours, the debt would worsen our economic
215 situation, not improve it. And so I am a little bit
216 disappointed at the extreme implications that are buried
217 inside this proposal, more extreme than the Contract with
218 America.

219 Now, there are some parties in this country that have
220 heard about what we are doing today, and I have got 123
221 organizations that have signed on and asked that we do not
222 do what is being proposed at this hearing. And I ask
223 unanimous consent to have that letter introduced into the
224 record.

225 Chairman Smith. Without objection, it will be made a
226 part of the record.

227 [The information follows:]

228

229 Mr. Conyers. Now, Chairman Smith, what we don't have
230 any response on, to my knowledge, is how our financial
231 institutions feel about this. Now, maybe Wall Street hasn't
232 heard about this yet, but if you want to see the credit
233 rating of the United States of America plummet, just pass
234 this resolution in even one body, not to mention two.

235 This would make it impossible -- with our credit
236 rating plummeting and these limits on raising money, there
237 would be only one thing that we would have left to do. We
238 would have to visit Social Security and Medicare. That
239 would be the only money left for us to get ourselves in
240 balance.

241 Now, I remember when our colleague, Jim Jordan,
242 chairman of the Republican Study Committee, had a vote on
243 trying to balance the budget, and he got 119 votes. And
244 that was considered even more draconian than the Ryan budget
245 which passed.

246 Mr. Gallegly. Will the gentleman yield?

247 Mr. Conyers. Yes, I will.

248 Mr. Gallegly. Some would say more responsible in that
249 we actually got to balance within the 10-year budget window,
250 Mr. Ranking Member.

251 Mr. Conyers. Well, if that is your idea of
252 responsibility, I must apologize for having voted against
253 it.

254 [Laughter.]

255 Mr. Conyers. Oh, no. I am sorry. I didn't have the
256 courage to vote against it. I voted present.

257 [Laughter.]

258 Mr. Conyers. Now, I conclude with my concern over --
259 turning to Social Security, why would we have to raid the
260 trust funds of Social Security and Medicare? Well, because
261 of what Willie Sutton said years ago, and I will not repeat
262 it at this hearing.

263 We have already agreed that privatizing Medicare with
264 a voucher plan is the way to go, but we would have to go in
265 and get the money as well.

266 And for those reasons, Chairman Smith, and members of
267 the committee, I would urge that we very carefully study the
268 proposal that is before the committee this morning. And I
269 thank you, Chairman Smith.

270 Chairman Smith. Thank you, Mr. Conyers.

271 Now, the gentleman from Arizona, Mr. Franks, the
272 chairman of the Constitution Subcommittee is recognized for
273 his opening statement.

274 Mr. Franks. Well, thank you, Mr. Chairman.

275 Mr. Chairman, I first want to commend Mr. Goodlatte
276 for bringing this proposal forward.

277 I believe, unless America can repeal the laws of
278 mathematics, that we must change our course on Federal

279 spending and these enormous Federal debts. It is absolutely
280 necessary that balanced Federal budgets once again become
281 the norm.

282 And I would respectfully take great issue with the
283 ranking member of the full committee, Mr. Conyers,
284 suggesting that a balanced budget will somehow diminish our
285 credit rating. I know of very few things that we could do
286 that would give people more faith and hope in America's
287 credit rating than passing an amendment like we have before
288 us today.

289 The Federal Government is borrowing 40 cents of every
290 dollar that it spends. This massive amount of borrowing is
291 causing the Federal deficit to grow ominously as a
292 percentage of America's total economic output. And, Mr.
293 Chairman, we are sending this huge, burgeoning burden to my
294 2-year-olds to pay and their contemporaries. Currently our
295 national gross debt to gross domestic product rivals that of
296 countries like Ireland, Portugal, and Greece which are now
297 facing sovereign debt crises. And according to projections,
298 by the end of this decade, the Federal deficit will climb to
299 and remain at no less than 100 percent of GDP for the
300 foreseeable future, a debt-to-GDP ratio reached only once in
301 our history during the 3 years following World War II.

302 Mr. Chairman, if we continue on our current path, in
303 10 years, 95 percent of all Federal tax revenues will be

304 consumed by payments of interest on the national debt and
305 mandatory programs like Social Security, Medicare, and
306 Medicaid. This will leave only 5 percent of our annual tax
307 revenue available for funding national defense and other
308 essential functions of Government.

309 Franklin Roosevelt once commented that, quote, we must
310 have the courage to stop borrowing to meet continuing
311 deficits. Any government, like a family, can for years
312 spend a little more than it earns, but you and I know that a
313 continuation of that habit means the poorhouse. Closed
314 quote.

315 On its present course, Mr. Chairman, the Federal
316 Government is currently heading to the poorhouse. Deficit
317 spending has become the way of life for the Federal
318 Government. It wasn't always this way. For the first 140
319 years of America's history, we lived under an unwritten
320 constitutional rule that budgets should be balanced except
321 during times of war, and we must return to those roots.

322 However, as the last 50 years have proven, an
323 unwritten unconstitutional rule is no longer sufficient. We
324 must amend the Constitution to require Congress to balance
325 the budget. We need to put in place a framework to end
326 deficit spending and the rash impulse to tax or borrow to
327 pay for the popular Government program of the day. The
328 Federal Government cannot continue to impose enormous fiscal

329 burdens on current and future generations.

330 Mr. Chairman, I said when I began that we cannot
331 repeal the laws of mathematics. The debt that we face could
332 crush us in a way no mortal enemy has ever been able to do.
333 It is time for Congress to pass a balanced budget amendment
334 and to send it to the States for ratification, and I urge my
335 colleagues to support the balanced budget amendment and
336 yield back the balance of my time.

337 Chairman Smith. Thank you, Mr. Franks.

338 The gentleman from New York, Mr. Nadler, the ranking
339 member of the Constitution Subcommittee, is recognized for
340 his opening statement.

341 Mr. Nadler. Thank you, Mr. Chairman.

342 Mr. Chairman, here we go again. If you can't balance
343 the budget and you can't face your constituents after having
344 voted for a truly draconian budget, why not vote on a
345 constitutional amendment instead? You can then say you
346 voted for a balanced budget without having to make any hard
347 choices or actually voting for a balanced budget. It is not
348 a bad deal.

349 Of course, we have all been down this road before. My
350 Republican friends love constitutional amendments. For any
351 complaint, there is a constitutional amendment.

352 It is not, however, a free vote. If adopted, the
353 proposed amendment would have catastrophic consequences for

354 the Nation, for the economy, and for the future. While it
355 would be nice to have some easy way to force a balanced
356 budget, the world doesn't work that way.

357 We know how to balance the budget because we have done
358 it before. In the not too distant past during the Clinton
359 administration, we managed not only to balance the budget
360 but to run surpluses and begin paying down the debt.
361 Remember the debate in the 2000 election campaign. What
362 should we do with the \$5.6 trillion surplus we were going to
363 run in the next decade. That is what you do in good times.
364 You pay down the debt.

365 Unfortunately, thanks to President Bush and a
366 Republican Congress, we managed to turn record surpluses
367 into record deficits in record time. How did we do it?
368 Well, there were the huge tax cuts for the very wealthy.
369 Then there are the two wars fought off budget. I don't
370 recall hearing a peep from any of my colleagues on the other
371 side who are now born-again fiscal conservatives. In fact,
372 I remember Vice President Cheney saying we have all learned
373 that deficits don't matter. Closed quote. Having the
374 regulators go to sleep while financial manipulators, banks,
375 and hedge funds crashed the economy and killed off revenues
376 followed and we still haven't recovered from that.

377 But rather than to admit to serious economic
378 mismanagement and looking for ways to straighten things out,

379 we get this dusted-off quack cure from the past. I guess it
380 is easier to vote for something like this than have to
381 endure another town hall where angry constituents want to
382 know why you voted to destroy Medicare.

383 Strangest of all, the amendment calls for balancing
384 the budget by as early as fiscal year 2018, even though the
385 Republican budget the House recently passed doesn't project
386 a balanced budget until 2040.

387 The sponsor of this bill, the gentleman from Virginia,
388 in his recent testimony on this very question in answer to
389 my question about this pointed out that the Republican Study
390 Committee budget would be in balance by 2020. So I guess
391 that is what we are really voting for today, an accelerated
392 version of the Republican Study Committee budget. Anyone
393 voting for this should be prepared to go home and explain
394 their vote, explain eliminating Medicare, virtually
395 eliminating Medicaid, raising the Social Security retirement
396 age to 70, decimating Pell grants that help our kids go to
397 college, among other things.

398 The amendment would require a three-fifths vote by
399 Congress to exceed a balanced budget, to borrow, to increase
400 taxes to manage the Nation's affairs. Think of what that
401 would do to our system of Government. A small minority, 41
402 Senators representing less than 20 percent of the Nation's
403 population, would be able to control the entire budget, our

404 borrowing, our credit worthiness, our tax policy, in short,
405 the future of our Nation.

406 That is inimical to our democratic system. Small
407 vocal minorities should not get to decide the future of the
408 Nation. The American people voting in their communities and
409 speaking through their Representatives should get to make
410 those decisions. This would turn our democratic system on
411 its head and would let the arithmetical minorities run the
412 system. It is a betrayal of democracy.

413 The amendment also treats military engagements as the
414 only true emergencies requiring the budget to be out of
415 balance. That shows a poor understanding of history and of
416 economics.

417 Even more disturbing, much of what is in this
418 amendment has nothing to do with requiring the budget to be
419 in balance. It violates the Truth in Labeling law. Many of
420 these provisions simply reflect the policy preferences of
421 the current majority. It incorporates the old tax
422 limitation constitutional amendment that requires a super
423 majority to raise revenues. That would actually make it
424 harder to balance the budget but it does reflect an
425 ideological preference for limiting expenditures rather than
426 deciding as a Nation how we want to pay for the things we
427 need.

428 Could we have started the interstate highway with this

429 language in the Constitution? Never.

430 The super majority requirement would have the perverse
431 effect of allowing special interest tax breaks to be slipped
432 into law without a vote. It would require a super majority
433 to repeal this. It would set up a one-way ratchet. That is
434 just not antithetical to a balanced budget, it also
435 enshrines the most corrupt aspects of our tax code in the
436 Constitution. And what it is saying, in effect, is that the
437 current majority thinks that taxes should never be raised.
438 They are entitled to that opinion and maybe the people will
439 agree in the next election, maybe they won't. But we are
440 going to bind our posterity, our children, and our
441 grandchildren to a current political belief. That is wrong.
442 That should not be in the Constitution.

443 Finally, the prohibition against spending more than 20
444 percent of GDP is both irrational and has nothing to do with
445 a balanced budget. Should we decide that it is necessary to
446 spend more, as we have at times throughout our history and
447 we are willing to pay for it, the Constitution should not
448 hinder our ability to act. At various points in our history
449 we have moved above and below that level, depending on
450 numerous factors. During World War II, it went as high as
451 43.6 percent, dropping down to 12 percent in 1948. Through
452 the mid-1950's and 1960's it hovered between the mid-teens
453 and the lower 20's. During the Reagan years, it never

454 dropped below 21 percent. It wasn't until the Clinton
455 administration that we were able to get it back down to the
456 teens. Thanks to the fiscal conservatism of President Bush
457 and the Republican Congress, it went back over 20 percent.

458 Now, it is possible to agree or to disagree with any
459 of these choices and we could debate them from now until
460 doomsday, but that is not the point. What members need to
461 understand is that the American people have to decide for
462 themselves at any particular moment what they think is the
463 best path. That right should not be taken away for all time
464 and given to a small minority of members at this point in
465 time.

466 Finally, what this amendment would do is say that in
467 the middle of a recession, when tax revenues are down and
468 unemployment is up, we must begin to slash the budget in
469 ways my Republican colleagues are now suggesting. This has
470 been tried before, and if we want the Constitution to
471 enshrine Hooverism and mandate that the Great Recession
472 becomes a Great Depression, we will get what we deserve.

473 We should manage the budget the old-fashioned way, by
474 making hard choices, promoting growth, making everyone pay
475 their fair share of taxes, including billionaires and oil
476 companies. It isn't fun. It won't make us a lot of
477 friends. We have done it before. We can do it again. It
478 only requires the courage of our own convictions to face the

479 voters with the actual budget we are proposing.

480 And I know how hard those town halls can be. I have
481 held many of them myself, but that is the job. We should
482 get down to business and quit fooling around. We should
483 balance the budget with real choices and not with phony
484 constitutional amendments that put choices off into the
485 future.

486 I yield back the balance of my time.

487 Chairman Smith. The gentleman's 7 minutes have
488 expired.

489 The gentleman from Virginia, Mr. Goodlatte, is
490 recognized for an opening statement as the original sponsor
491 of this legislation.

492 Mr. Goodlatte. Well, thank you, Mr. Chairman, and
493 thank you for bringing this legislation forward.

494 On March 2nd, 1995, a pivotal day in the history of
495 our country, the U.S. Senate failed by one vote to send a
496 balanced budget amendment to the States for ratification.
497 The amendment had passed the House by the required two-
498 thirds majority with more than 70 Democrats joining with
499 nearly all Republicans to pass it. The Senate vote was the
500 last legislative hurdle before ratification by the States.
501 If that amendment had passed, then we would not be facing
502 the fiscal crisis we now face.

503 In response to the gentleman from Michigan, we would

504 not be facing a downgrading of our bond ratings, if you want
505 to look to Wall Street for guidance on what fiscal
506 responsibility would do for our country. If that amendment
507 had passed, then balancing the budget would have been the
508 norm, rather than the exception over the past 50 years --
509 certainly the past 15 years since it would have been
510 ratified by the States most surely, and we would have
511 nothing like the annual deficits and skyrocketing debt that
512 we must face today.

513 The good news is that like 1995 this Congress is again
514 standing at a crossroads at this very moment. The decisions
515 we make today will steer the direction of the country for
516 the next 15 years. We have an opportunity now to take
517 action to ensure that 15 years from today our children will
518 face a much brighter fiscal picture. We must not allow
519 ourselves to miss this opportunity.

520 The consequences of inaction are great. Our Nation's
521 first Secretary of State and our current one have each
522 issued warnings about the impact of a growing debt. Thomas
523 Jefferson stated almost 200 years ago that to preserve
524 independence of the people, we must not let our rulers load
525 us with perpetual debt. We must make our election between
526 economy and liberty or profusion and servitude. Secretary
527 Clinton stated in 2010, I think that our rising debt levels
528 pose a national security threat and it poses a national

529 security threat in two ways. It undermines our capacity to
530 act in our own interest and it does not constrain us where
531 constraint may be undesirable. She went on to say that we
532 are losing the ability to chart our own destiny.

533 The facts are clear. Experience has proven time and
534 again that Congress cannot, for any significant length of
535 time, rein in excessive spending. The annual deficits and
536 the resulting debt continue to grow due to political
537 pressures and dependency on Government programs. In order
538 for Congress to be able to consistently make the very tough
539 decisions necessary to sustain fiscal responsibility over
540 the long term, Congress must have an external pressure to
541 force it to do so. I believe that the most realistic chance
542 Congress has today to enact the institutional reform
543 necessary is through a balanced budget amendment to our
544 Constitution.

545 On the first day of the 112th Congress, I introduced
546 House Joint Resolution 1. This amendment requires that
547 total annual outlays not exceed total annual receipts. It
548 also requires a three-fifths majority to raise the debt
549 limit. This legislation has limited exceptions for times of
550 war, and it also requires a three-fifths majority to raise
551 taxes and imposes an annual spending cap that prohibits
552 spending from exceeding 20 percent of GDP by the Federal
553 Government.

554 Our extraordinary fiscal crisis demands an
555 extraordinary solution. It is my hope that H.J.Res. 1 will
556 be passed by the House and Senate and sent to the States for
557 ratification. However, if this particular version of the
558 bill does not garner the necessary two-thirds majority
559 requirement, then we need to allow votes on alternative
560 balanced budget amendment proposals. This is the way the
561 House handled the floor debate in 1995.

562 We are at a crossroads in America. We can make the
563 tough choices and control spending, paving the way for a
564 return to surpluses and ultimately paying down the national
565 debt, or we can allow big spenders to lead us further down
566 the road of chronic deficits and leave our children and
567 grandchildren saddled with debt that is not their own.

568 Thank you, Mr. Chairman.

569 Chairman Smith. Thank you, Mr. Goodlatte.

570 Before we go to amendments, I would like --

571 Mr. Conyers. Mr. Chairman, please.

572 Chairman Smith. I have an announcement to make first.
573 Then I will recognize you.

574 Mr. Conyers. No. I just wanted to make sure that the
575 gentlelady from Texas can make an opening statement, as has
576 others.

577 Chairman Smith. I than the ranking member for his
578 comments. I am going to proceed with my announcement and

579 then I possibly will recognize the gentlewoman from Texas,
580 but I would like for the members to hear what I have to say
581 first.

582 As I said, before we get to amendments, I just want to
583 alert members as to what I anticipate the schedule will be
584 today. If we can finish these first two bills, the balanced
585 budget amendment and the Secure Visas Act, before noon, we
586 will adjourn for the week. If we do not finish those two
587 bills by noon, we will recess today and reconvene tomorrow
588 at 9:30 to finish all four bills. So it is up to the
589 members whether we expedite the process or not, but if we
590 don't finish the first two, we will reconvene tomorrow at
591 9:30.

592 Does the gentlewoman from Texas still want to be
593 recognized?

594 Ms. Jackson Lee. Yes.

595 Chairman Smith. Okay, the gentlewoman is recognized.

596 Ms. Jackson Lee. Mr. Chairman, let me suggest, albeit
597 it briefly, that I think it is important to acknowledge a
598 reasonable body of Americans who oppose what they consider
599 and what will probably be a draconian and unwise proposal.
600 It is not a new proposal. It is a balanced budget amendment
601 that we have discussed and attempted to pass decades ago.
602 But organizations such as the American Association of People
603 with Disabilities, the American Association of University

604 Women, Government Employees, American Federation of
605 Teachers, the Asian American Justice Center, the Association
606 of Women's Health, Campaign for America's Future, Campaign
607 for Community Change, a number of the Corporation for
608 Enterprise Development, the Children's Defense Fund,
609 organizations that realize that they represent the most
610 vulnerable.

611 We need to be fiscally responsible, and there are
612 major efforts that should be initiated: bringing the troops
613 home from Afghanistan, \$10 billion a month; the 2 percent of
614 the population with tax cuts that should be relieved of that
615 as they have already indicated themselves.

616 I welcome the gentleman's fiscal responsible
617 initiative in terms of an interest to bring down our debt,
618 but I believe that we are now burdening ourselves even more
619 with a balanced budget process that doesn't work for the
620 Federal Government. How do we fund potential wars that may
621 come up to defend this Nation?

622 Finally, I would say that just this past week, 2 days
623 ago in fact, I watched as a lot of red appeared on the
624 board, as my friends voted almost -- well, I would say
625 unanimously not to pay America's bills.

626 So I welcome the debate on this particular amendment.
627 I look forward to the interests and the openness of the
628 majority to the amendments that we will offer, and I would

629 hope that we could work in a bipartisan way, recognize the
630 reality of raising the debt limit as President Reagan asked
631 the Congress to do some years ago, and recognize that it is
632 a very difficult process to follow what has occurred in
633 State governments. The United States is not State
634 governments. State governments can take care of the States.
635 The United States has to take care of all 50 States,
636 including those like Missouri and Alabama that have
637 experienced the most drastic and catastrophic disasters in
638 the last couple of years. So I ask my colleagues to
639 consider what we are doing today as we move forward on this
640 particular legislation.

641 I yield back.

642 Chairman Smith. Thank you, Ms. Jackson Lee.

643 And the gentleman from Michigan, Mr. Conyers, is
644 recognized for the purpose of offering an amendment.

645 Mr. Conyers. Thank you, Mr. Chairman. I don't have
646 an amendment at this point.

647 I would like to ask unanimous consent and the
648 continuing generosity of the chair to allow the gentleman
649 from Virginia, Bobby Scott, to make a brief opening
650 statement.

651 Chairman Smith. Okay. Without objection, the
652 gentleman from Virginia is recognized.

653 Mr. Scott. Thank you, Mr. Chairman.

654 Mr. Chairman, I think it is important to note that we
655 are really not having a serious discussion about this
656 because the discussion has been totally on the title of the
657 bill and nothing about the provisions of the bill.

658 The core provision of this legislation is a
659 requirement that a 60 percent vote is needed to pass an
660 unbalanced budget. And let's be serious. Every budget we
661 considered this year is unbalanced, even the Republican
662 Study budget is unbalanced. Any draconian deficit reduction
663 plan, if it balanced the budget in 2 or 3 years, would be
664 unbalanced this year and would, therefore, require a 60
665 percent vote.

666 Now, I know it is hard, but think for a moment. Just
667 think. Are we more likely to pass a draconian deficit
668 reduction plan if we require a 60 percent vote or a simple
669 majority? Think about it for just a minute. Are you more
670 likely to pass a draconian deficit reduction plan if you
671 require a 60 percent vote than a simple majority? If you
672 believe that it is more difficult to pass a real deficit
673 reduction plan that will cost many Members their seats at a
674 60 percent than a simple majority, then you have concluded,
675 I think, rationally that the passage of this legislation
676 would make it less likely that we would ever balance the
677 budget.

678 Now, once you require 60 percent, then all the budgets

679 before us would require 60 percent. And the question is
680 whether you are more likely to pass tax cuts or tax
681 increases, whether you are more likely to have spending
682 increases or spending cuts, since you got to get the 60
683 percent anyway.

684 And so rather than just debate the title of the
685 legislation, which is misleading, let's talk about the
686 provisions of the bill. Now, there are a lot of different
687 provisions of the bill.

688 One, talk about not being serious, is section 6 that
689 declares that the provision of this article may be waived
690 any fiscal year in which the United States is, quote,
691 engaged in military conflict which causes an imminent and
692 serious military threat to national security and is so
693 declared by a joint resolution passed by a simple majority.
694 And if that doesn't scare every dictator in the world every
695 time we have budget problems, we will drop a bomb on Libya,
696 Iraq, Grenada, so that we can pass our budget with a simple
697 majority rather than the 60 percent.

698 But the basic core provision of the budget, requiring
699 60 percent, if everybody concludes, like I think just about
700 everybody would, that passing a budget requiring a 60
701 percent majority rather than a simple majority would
702 actually make it less likely that we would ever get serious
703 about the budget, means that this entire exercise is a

704 question of whether we are going to make things worse or try
705 to deal with the reality that if you got to get fiscally
706 responsible, you are going to have to make some tough
707 choices like we did in 1993 when we passed the budget that
708 was on the way to paying off the entire national debt. 50
709 Democrats lost their seats when they voted for that budget.

710 Just a couple of weeks ago, the Republicans passed a
711 budget that essentially repeals Medicare to help balance the
712 budget, and I can guarantee you that a lot of Republicans
713 are going to lose their seats as a direct result of voting
714 for that budget. You have to cast career-ending votes in
715 order to pass a serious deficit reduction plan, and
716 requiring 60 percent will just make matters worse rather
717 than better.

718 I yield back.

719 Mr. Conyers. Mr. Chairman?

720 Chairman Smith. Thank you, Mr. Scott.

721 The gentleman from Michigan, Mr. Conyers?

722 Mr. Conyers. Thank you, Mr. Chairman, and I want to
723 thank you for your generosity.

724 Could we yield for a brief statement of the gentleman
725 from North Carolina, Mr. Watt, who feels discriminated
726 against at this point?

727 Chairman Smith. The gentleman is recognized, but I
728 also want to say to members they are welcome to ask for

729 recognition themselves. But in this case, I am happy to
730 recognize the gentleman from North Carolina, Mr. Watt.

731 Mr. Watt. I appreciate the chairman. I appreciate
732 the ranking member intervening in my behalf to commandeer me
733 some time to make an opening statement.

734 Mr. Chairman, I think sometimes we overcomplicate
735 these discussions, and whenever we start talking about a
736 budget, we often tend to do that in my experience.

737 The truth of the matter is when I came to Congress, I
738 didn't have any concept of what a million dollars was much
739 less a billion dollars or a trillion dollars. What I did
740 understand and what I often tell my constituents, even today
741 I still don't know what a trillion dollars would look like.
742 But what I do understand and I try to get my constituents to
743 understand is that this is just some more zeroes behind the
744 \$10 figure or a \$100 figure or a \$1,000 figure. And the
745 same principles apply regardless of whether you are talking
746 about \$1,000, \$10,000, \$1 million, or \$1 trillion.

747 So I am pretty much in agreement that you ought to be
748 trying to balance budgets. I don't have any problem with
749 that notion.

750 My problems are that this requirement doesn't comport
751 with my real-life experiences. It doesn't comport with my
752 real-life experiences because in this balanced budget
753 amendment, we don't have any provision for a capital budget

754 which allows us to make great, big expenditures and amortize
755 them over time, the same period during which we will be
756 using what we made the great, big expenditure on.

757 A great, big example in my own congressional district.
758 We are building a bridge over the Yadkin River. It is on
759 Interstate 85. Interstate 85 is the major north-south
760 commercial and personal corridor for the whole eastern
761 United States. 85 and 95 both run through North Carolina.
762 If that bridge over the Yadkin River goes down, the whole
763 economy of the east coast of the United States is going to
764 go in the tank. And we couldn't get the bridge built and
765 widened because it was going to cost a bunch of money to do
766 it. It went from like \$200 million to \$300 million to \$400
767 million. Every year we put it off, the problem just got
768 worse.

769 Well, we are going to be using that bridge for years
770 and years and years to come, and under this balanced budget
771 amendment, we are going to have to pay for that bridge in
772 cash. We become a cash-only society under this balanced
773 budget amendment.

774 That doesn't comport with anybody's experience in
775 life. You don't buy a house and pay cash for it. It is an
776 asset. You use it over a period of time. You pay for it
777 over a period of time. But under this balanced budget
778 amendment, henceforth, now and forever, you are going to

779 have to pay cash for your house, for a bridge, for anything
780 you do and that simply doesn't comport with my experience
781 about how life works.

782 No investments in our children or anything that will
783 increase their productivity and our country's prosperity.
784 We can't make those investments. Just to put it in my own
785 life experience, if I hadn't made an investment, my parents
786 hadn't made an investment in my education, I would still be
787 out there throwing 55-gallon drums around in a warehouse
788 somewhere. I never would have gone to college. I never
789 would have gone to law school. I never would have gotten
790 elected to Congress.

791 And yet, you are telling me under this balanced budget
792 amendment I can't borrow any money. I can't go in debt to
793 make the kind of investment that will make me and my
794 children more productive. I got to do it all in cash. That
795 is not the way we live our lives in this country, and it is
796 not the way our country ought to live its fiscal life. It
797 is absolutely inconsistent with our experiences, and it is
798 inconsistent whether you are talking about \$1,000, \$10,000,
799 \$1 million, or \$1 trillion budget.

800 This amendment makes no sense in the ordinary way that
801 individuals and our country ought to be doing business. And
802 that is why I am opposed to it. It is nonsensical to run a
803 household, a personal life, or a country like this balanced

804 budget amendment would require us to do.

805 I thank the chairman.

806 Mr. Gohmert. Mr. Chairman, just for informational
807 purposes --

808 Chairman Smith. The gentleman from Texas, Mr.
809 Gohmert, is recognized.

810 Mr. Gohmert. -- I will object to any further opening
811 statements. We are arguing about the bill. It is a way of
812 getting 10 minutes instead of 5. So I am just alerting the
813 chairman I will object to any further opening statements.
814 Let us do it procedurally appropriate by striking the last
815 word.

816 Mr. Watt. Mr. Chairman, a point of order.

817 Chairman Smith. Thank you, Mr. Gohmert.

818 The gentleman from North Carolina is recognized to
819 state his point of order.

820 Mr. Watt. Is there something in our rules that says
821 we can't have opening statements on a bill of this
822 magnitude? I am not aware of anything --

823 Chairman Smith. If the gentleman would yield.

824 Mr. Watt. -- in the rules that restricts opening
825 statements or requires a unanimous consent request.

826 Chairman Smith. I believe that the gentleman is
827 correct.

828 Mr. Watt. Is or is not?

829 Chairman Smith. Is correct.

830 Mr. Watt. Okay. Well, why is my opponent saying I
831 got to have unanimous consent? You need unanimous consent
832 to cut off debate.

833 Mr. Gohmert. Well, the cutoff is at 5 minutes and you
834 have exceeded that.

835 Chairman Smith. The gentleman from Texas and the
836 gentleman from North Carolina will suspend because we are
837 now going to recognize the gentleman from Michigan for the
838 purpose of offering an amendment.

839 Mr. Conyers. Mr. Chairman, I have an amendment at the
840 desk.

841 Chairman Smith. The clerk will report the amendment.

842 Mr. Conyers. Amendment number 3 to protect Medicare.
843 Amendment number 3 to protect Medicare.

844 Chairman Smith. The clerk will report the amendment.

845 Ms. Kish. "Amendment to H.J.Res. 1 offered by Mr.
846 Conyers. Page 3, strike lines 20" --

847 Chairman Smith. Without objection, the amendment will
848 be considered as read.

849 [The information follows:]

850

851 Chairman Smith. And the gentleman will be recognized
852 to explain his amendment.

853 Mr. Conyers. Thank you, Mr. Chairman.

854 The amendment before the committee is intended to
855 protect Medicare by exempting it from the balanced budget
856 calculations imposed within the balanced budget amendment.

857 Without protecting the current Medicare program,
858 conservatives could use the balanced budget amendment as an
859 excuse to transform a program that most of our constituents
860 are happy with into a voucher program where seniors would
861 have to purchase insurance through private markets. This is
862 exactly what the Ryan budget would do and it has not
863 resonated with much popularity in many areas of the country.

864 Now, the Congressional Budget Office has studied the
865 potential consequences of transforming this program and have
866 found that most seniors would pay more for health care under
867 a voucher program than they pay under a current Medicare
868 system. A voucher value would grow with regular inflation,
869 even though health care costs are projected to grow at a
870 faster rate.

871 And so the amendment before you, my colleagues, would
872 simply take Medicare off the table when it comes to balanced
873 budget calculations. It doesn't mean that Medicare spending
874 would be allowed to run unchecked, just that seniors would
875 not be forced to sacrifice their health in order to balance

876 the budget.

877 For some number of years, 45, this country has made a
878 promise to our seniors that after a lifetime of work, they
879 will be able to depend on Medicare to protect them in
880 retirement. And this amendment merely makes sure that we
881 keep this promise.

882 I urge support of the amendment and yield back the
883 balance of my time.

884 Chairman Smith. Thank you, Mr. Conyers.

885 The gentleman from Virginia, Mr. Goodlatte, is
886 recognized.

887 Mr. Goodlatte. Well, thank you, Mr. Chairman.

888 Mr. Chairman, first let me say that it is a total
889 mischaracterization of the Republican budget proposal with
890 regard to Medicare to call it a voucher. It is no more a
891 voucher than the President's health care reform plan that
892 the gentleman supported is a voucher.

893 But more importantly, much more importantly, Medicare,
894 Social Security, and other Government priorities are
895 enhanced. They are not hurt by a balanced budget amendment.
896 Medicare, Social Security, and the trust funds that support
897 these programs are statutory programs because Congress
898 possesses the legislative authority to change any of these
899 programs. Specifically referring to them in the
900 Constitution, as the gentleman proposes, would create a

901 giant loophole allowing Congress to call anything Medicare
902 or Social Security and thus evade balanced budget
903 requirements.

904 I am confident that the Congress will not abandon its
905 commitment to older Americans. These programs enjoy broad
906 congressional support. If we need to engage in deficit
907 spending to protect Medicare or Social Security, a three-
908 fifths congressional vote can authorize it.

909 But the balanced budget amendment, by discouraging
910 spending for less important purposes, increases rather than
911 detracts from the protection Medicare, Social Security, and
912 other Government priorities will enjoy in future years, and
913 I strongly urge my colleagues to reject this very misguided
914 amendment, and I yield back to the chairman.

915 Chairman Smith. Thank you, Mr. Goodlatte.

916 Mr. Conyers. Would the gentleman yield briefly?

917 Chairman Smith. The gentleman has yielded back his
918 time, but the gentleman from Virginia, Mr. Scott, is
919 recognized, and I am sure he will be happy to yield to you.

920 Mr. Scott. Which I do.

921 Mr. Conyers. Yes, thank you, Mr. Scott.

922 First of all, I apologize for using the term
923 "voucher." That is demeaning. What we want to call it a
924 specified amount of money, parentheses, not a voucher. So
925 you can call it whatever you want.

926 But how in the world can we -- I would like to just
927 ask through Mr. Scott. How can we enhance Medicare and
928 Social Security with the half dozen restrictions that are
929 imposed on everything in Government spending with this
930 proposed constitutional amendment?

931 Mr. Scott. Reclaiming my time, Mr. Chairman, I would
932 say that that is exactly the point. If he doesn't want to
933 call it a voucher, I will call it "a specific amount of
934 money but not enough" is what the proposal is.

935 The budget requires choices. At some point, you have
936 to decide that you are going to pay for what you have spent.
937 And the problem we have with this and the problem this
938 amendment addresses is that the public wants a Medicare
939 program and wants to pay for it. They should not be
940 prohibited by this constitutional amendment in a number of
941 areas: one, the limitation of 20 percent of GDP, the fact
942 that you got to raise taxes to pay for it.

943 The interesting thing about this amendment is that if
944 you happen to be under 20 percent, as we were during the
945 Clinton administration after the budget that we passed with
946 no help from the Republicans and fiscal responsibility, you
947 can actually pass new spending with a simple majority. Then
948 when it comes time to pay for it, you need 60 percent to pay
949 for it. So last year, if this thing had been in effect and
950 we were under the 20 percent limit, we could have passed the

951 trillion dollar health care plan. We just wouldn't have the
952 votes to pay for it. When you have that kind of mechanism
953 in a bill, you can understand how the Republicans will land
954 us in the ditch when they are in total control the budget.

955 But this would just allow us to have a Medicare
956 program. If this amendment doesn't pass, Medicare will be
957 in jeopardy. Social Security will be in jeopardy because
958 you will have to get down to the 20 percent and you won't be
959 able to raise taxes to pay for programs that the public
960 wants, or some two-bit dictator ought to be scared because
961 we are going to drop a bomb on them and declare an imminent
962 threat to our national security.

963 I yield back.

964 Chairman Smith. Thank you, Mr. Scott.

965 The gentleman from California, Mr. Lungren, is
966 recognized.

967 Mr. Lungren. Thank you, Mr. Chairman. I rise in
968 opposition to the amendment.

969 Look, I mean, this debate has clearly pointed out that
970 deficit spending remains the mother's milk of a liberal
971 welfare state. There seems to be such great fear that we
972 might actually become fiscally responsible.

973 I guess you haven't noted, but Medicare is scheduled
974 to go broke in 9 years, if you look at the estimate of CBO.
975 Now, the trustees have just come out and concluded it is

976 going to be longer than that, but it is going to be a 5-year
977 shorter period of time than they thought.

978 We are absolutely on a train wreck for Medicare. So
979 if you want to destroy Medicare as it is, you will take the
980 position that you have, which is to do absolutely nothing.
981 This amendment is a thinly disguised attempt to try and undo
982 the whole idea of being fiscally responsible.

983 Now, let's get back to Medicare. This idea of a
984 voucher -- it is not a voucher. You say it is insulting.
985 No, no. It is misleading. Whether it is intentional or
986 not, I do not know, but it is misleading. It is not a
987 voucher system. This is based on something that a
988 Democratic Senator, John BreauX, I think talked about in
989 1999.

990 Now, this is the way it works, folks. This is the way
991 it works. Medicare -- the governmental system -- will
992 negotiate with different providers, much like the Federal
993 Government now negotiates with different providers to give
994 the Federal employee health plan. They will then have a
995 range of programs to which you can participate, if you wish.
996 And they can be from the full-scale HMO to the fee-for-
997 service. And obviously, the premium paid will differ
998 depending on which program you pick. There will be a
999 subsidy by the Federal Government towards that after you
1000 make your choice, and that subsidy will be greater, the

1001 poorer you are. It will be lesser, the richer you are.
1002 That is the outlines of the program. That is not a voucher
1003 program.

1004 It will not affect anybody 55 and older. We
1005 grandfather in the grandparents. It will affect those who
1006 would have no program if you take CBO numbers on their face.
1007 They will have no program. So we are not talking about the
1008 current program. We are talking about a program that will
1009 exist as opposed to no program unless you believe you can
1010 float the program on and on and on and on.

1011 You want to talk about vouchers because you know that
1012 is not the case. You want to talk about destroying the
1013 system and you deny the fact the CBO numbers tell you that
1014 the system is destroying itself. You want to say that it is
1015 something that it is not. You want to say that it doesn't
1016 take care of the expenditure side. We happen to believe if
1017 you enter competition and do it and you allow choice to be
1018 made, that will have an immediate impact on what occurs
1019 right now which is medical costs going up far greater than
1020 the inflation rate.

1021 Now, you might criticize the program in Medicare that
1022 they added, when I was not here, on prescription benefits.
1023 That interjected the choice by the individual, and I know
1024 your side of the aisle decided that people were not smart
1025 enough to do that, they would be overwhelmed by it, that

1026 there wouldn't be enough providers. The fact of the matter
1027 is there were more providers than you thought that there
1028 would be. And in all of that, we find out that we brought
1029 the cost down. So it is 40 percent less than it would be
1030 projected. It is still costly, but 40 percent less and as a
1031 direct result of constructing it in this way.

1032 And maybe you folks aren't fond of him anymore, but as
1033 I recall, President Clinton's commission on Medicare
1034 recommended that you try this approach. They called it
1035 "premium supports." So it is a program that Senator Breaux
1036 first talked about. It is a program that President
1037 Clinton's commission on Medicare to save Medicare made a
1038 recommendation for premium supports. And now when we offer
1039 it, you call it something that it is not. You want to
1040 disparage it. You want to say it is to harm seniors. It is
1041 to help those seniors that we will have in the future.

1042 But at least talk about what the facts are if you want
1043 to talk about it, and give us your alternative. What is
1044 your alternative? Is your alternative the status quo, which
1045 is to stay as it is have a broke system? So let's just
1046 promise people --

1047 Mr. Conyers. Would the gentleman yield? Would the
1048 gentleman yield?

1049 Mr. Lungren. Well, you folks had a lot of time over
1050 there to talk, which we --

1051 Mr. Conyers. You don't have to yield.

1052 Mr. Lungren. And you had an opportunity to
1053 mischaracterize what the program is.

1054 I will be happy to yield to my ranking member.

1055 Chairman Smith. The gentleman's time has expired.

1056 Mr. Conyers. I ask unanimous consent the gentleman be
1057 given an additional minute.

1058 Chairman Smith. Without objection, the gentleman will
1059 be granted an additional 1 minute. Does the gentleman yield
1060 to the gentleman from Michigan?

1061 Mr. Lungren. Oh, sure.

1062 Chairman Smith. Okay.

1063 Mr. Conyers. Thank you.

1064 I wanted to compliment the gentleman on his
1065 explanation of how Medicare really works. It was
1066 fascinating, and I want to apologize for the fourth time for
1067 using the term "voucher," which I will never use in this
1068 committee again as long as I live.

1069 Mr. Lungren. Well, I will reclaim my time. I mean,
1070 if the gentleman wants to be accurate, he can use President
1071 Clinton's commission's statement which is that it is a
1072 premium support program -- premium support program -- based
1073 on the outlines of the program that has been established for
1074 many years for Federal employees that, as far as I can tell,
1075 has worked very, very well. And so we have tried to take

1076 ideas that have worked, recommendations on a bipartisan
1077 basis, put it together in a program, and asked for an adult
1078 conversation or adult debate. We are still waiting.

1079 Mr. Conyers. Could the gentleman yield just for this
1080 one --

1081 Mr. Lungren. For my last 5 seconds, I guess I can.

1082 Mr. Conyers. I wanted to answer what it is we have
1083 instead to replace it, and is Medicare for All.

1084 Chairman Smith. The gentleman's time has expired.

1085 The gentleman from New York, Mr. Nadler, is
1086 recognized.

1087 Mr. Nadler. Thank you.

1088 Now, regardless what anybody else will say, I call it
1089 a voucher because it is a voucher, although it doesn't
1090 matter because the nomenclature doesn't matter.

1091 But the fact is it is simply untrue to call the
1092 Republican proposal for Medicare anything like the Federal
1093 employee health benefit plan. In the Federal employee
1094 health benefit plan, the amount that the Government gives to
1095 support the premium goes up by the amount of medical
1096 inflation, which is about five times the normal inflation
1097 rate. In the Republican plan, that voucher amount would go
1098 up by the normal inflation rate, which is why the CBO says
1099 it would double and triple the amount and the percentage
1100 that the senior citizen would have to pay. The Republican

1101 plan doesn't reduce the cost of Medicare. It simply shifts
1102 the cost of Medicare from the Government to the senior
1103 citizen. It is cost shifting, not cost saving. Point one.

1104 Point two, there are other ways of saving Medicare.
1105 Now, it is not that the Medicare costs are going up. That
1106 is not the problem. The problem is that all medical costs
1107 are going up, and that is true whether you pay for it by
1108 Medicare, Medicaid, private insurance, Veterans
1109 Administration, or anything else. All medical care costs
1110 are going up, and that we have to figure out a way of
1111 controlling, whether it is in the private or public sector.

1112 But shifting the costs to senior citizens, such as the
1113 Republican voucher plan would do, does not change that.
1114 Abolishing Medicare for all practical purposes, as the
1115 Republican plan would do, does not change that. The costs
1116 are still going up and the question is who is going to pay
1117 it. How we stop those costs from going up so fast is a
1118 different question, and there are various proposals, most of
1119 which the Republicans opposed last year when we talked about
1120 them during last year's health care debate, but that is not
1121 implicated here.

1122 Now, let me say the following. Under this balanced
1123 budget amendment, we have got to get to balance with it by
1124 2018. The only way we can do that is by adopting a budget
1125 -- and even that won't get there until 2020 -- such as the

1126 Republican Study Committee's budget.

1127 Now, the argument against the gentleman from
1128 Michigan's amendment is that, well, Congress will take care
1129 of Medicare. It is other things that will be cut. Well,
1130 let's look at that. Under that amendment -- or rather,
1131 under that proposal, which essentially is enshrined in this
1132 constitutional amendment, non-defense discretionary programs
1133 have to be reduced by 70 percent, by more than \$3 trillion,
1134 in the next 10 years. So the FBI, Border Protection,
1135 Homeland Security, veterans medical care, education,
1136 protecting the Nation's food and water supply, medical
1137 research, frail, elderly people reduced by 70 percent. I
1138 don't know if that is realistic to think that is going to
1139 happen, but if it doesn't happen, then the cuts to Medicare
1140 have to be even deeper. I don't think that Congress is
1141 going to cut the FBI, Border Protection, Homeland Security,
1142 veterans care by more than 70 percent. I hope not. I don't
1143 think that any Congress is likely to do that, and if it
1144 does, the next Congress, which will have totally different
1145 Members, will probably undo it. But in the absence of doing
1146 that, then Medicare cannot be supported without the
1147 gentleman's amendment. Under this balanced budget
1148 constitutional amendment, the fit is just too tight,
1149 especially with the 20 percent.

1150 So I urge the adoption of the gentleman's amendment

1151 which will ensure that despite the havoc this amendment
1152 wreak on the rest of the country, at least Medicare will be
1153 taken out of it unless, of course, this is simply another
1154 way of enshrining into the Constitution the Republican's
1155 goal for Medicare which, as we have seen, is to destroy it.

1156 Thank you. I yield back.

1157 Chairman Smith. Thank you, Mr. Nadler.

1158 Mr. Lungren. I move to strike.

1159 Chairman Smith. The gentleman from Virginia, Mr.
1160 Forbes, is recognized.

1161 Mr. Forbes. Thank you, Mr. Chairman. I move to
1162 strike the last word.

1163 Chairman Smith. The gentleman is recognized for 5
1164 minutes.

1165 Mr. Forbes. Mr. Chairman, as I have listened to the
1166 debate from my friends on the other side of the aisle, it
1167 has convinced me more and more of the wisdom of my good
1168 friend from Virginia in bringing the initial bill forward
1169 and how important it is that we do that.

1170 The reality is that as we get into some of the weeds
1171 on this, we can confuse the major issue, but the big issue,
1172 the American people understand. The big issue is this. We
1173 simply cannot go on spending 42 percent more than we bring
1174 in as a Nation for a very long period of time.

1175 Now, some Americans don't care. I grant you that.

1176 But most of them do. And one of the things they recognize
1177 is that we are making China not only a wealthier nation but
1178 a more powerful nation that one day we will have to face or
1179 our children or grandchildren will have to face with the
1180 problem we are creating for them.

1181 And as I listen to my friends argue, one thing I can
1182 tell you -- my perception might be wrong, but the perception
1183 we have on this side is that there is simply very little
1184 that you would ever want to cut outside of defense. Period.
1185 That is just not going to happen. You have a perception of
1186 us over here that there are no taxes we would ever want to
1187 raise on any side, and you are probably right.

1188 But I think what that says to the American people is
1189 this. We will never balance this budget on a long-term
1190 basis unless we do exactly what the gentleman from Virginia
1191 is requiring and say the Constitution is going to force us
1192 to come together and make the tough decisions to make sure
1193 we are balancing this budget and stopping the insanity of
1194 borrowing 42 percent, whatever the good cause, whatever the
1195 good reason, that we are just sending down the road for my
1196 children and my grandchildren to pick up and say we are
1197 going to get you to do it. And they are not going to be
1198 able to do it any more than we are going to be able to do
1199 it.

1200 So, Mr. Chairman, I think that the arguments we have

1201 heard today are strong support for why it is important we
1202 not only pass this underlying bill, but we not water it down
1203 by taking one program out and another program out until, at
1204 the end of the day, we have totally killed the bill by a
1205 thousand cuts, but we pass the bill that the gentleman has
1206 thoughtfully put forward so that we are sending a message to
1207 the business community, to the rest of the world, we are
1208 going to get our fiscal house in order. We are going to
1209 make those tough choices and we are going to pass on an
1210 opportunity for our children and grandchildren to have the
1211 kind of country we were destined to have.

1212 Mr. Conyers. Would the gentleman yield?

1213 Mr. Forbes. I will be happy to yield.

1214 Mr. Conyers. Thank you very much.

1215 Is there any amendment to this resolution that you
1216 would consider?

1217 Mr. Forbes. Well, I don't like to put in large
1218 nomenclature that there is no amendment that I would
1219 consider because I like to think that I am going to be open
1220 to anything that you put forward. But after I have listened
1221 to your debate, one of the things that I am absolutely
1222 certain of is that it is imperative that we not cut this
1223 bill bit by bit by bit so that at the end of the day it
1224 doesn't do what it needs to do. And what it needs to do is
1225 to bring us together as a Congress, not with options that we

1226 will just walk away from and punt to our children and
1227 grandchildren, but a mandate that we are going to stop
1228 borrowing 42 percent of everything we are spending.

1229 And whether you are right and you can't cut anything
1230 except defense, or whether we are right that we shouldn't be
1231 raising taxes all of a sudden doesn't become important to
1232 the American people. What becomes important to them is that
1233 we can't do it any other way than the gentleman's piece of
1234 legislation. And that is why I think it is important that
1235 we have it.

1236 Mr. Conyers. Well, I thank the gentleman for agreeing
1237 that there may be some amendment that he would favorably
1238 consider.

1239 Chairman Smith. The gentleman yields back his time.

1240 Are there other members who wish to be recognized?

1241 Mr. Watt. Mr. Chairman?

1242 Chairman Smith. The gentleman from North Carolina,
1243 Mr. Watt, is recognized.

1244 Mr. Watt. Thank you, Mr. Chairman.

1245 I would submit to the gentleman from Virginia that
1246 this balanced budget amendment doesn't accomplish anything
1247 like he suggested that it would accomplish. It has its own
1248 set of very compelling shortcomings.

1249 Having said that, I will yield the balance of my time
1250 to the other gentleman from Virginia.

1251 Mr. Scott. Thank you, Mr. Chairman. I thank the
1252 gentleman for yielding.

1253 We are continuing to debate the title. What we ought
1254 to be debating is how the provisions of the legislation
1255 actually accomplish a balanced budget. We talk about debt
1256 and all this to our grandchildren.

1257 The fact of the matter is the core provision of this
1258 underlying constitutional amendment will make it impossible
1259 to ever balance the budget from a practical point of view.
1260 If you need 60 percent to pass the budget -- and you are
1261 going to need 60 percent. Any budget on the table requires
1262 60 percent. Now, are you more likely to pass the Republican
1263 Study Group and explain to your constituents 70 percent cuts
1264 or, since you need 60 percent anyway, are you more likely to
1265 have more tax cuts and more spending increases? When you
1266 get to the last couple of votes to pass a tough bill like a
1267 tough budget, the last couple of votes you pick up are not
1268 -- and I am not going to vote for it unless you increase
1269 some more taxes or unless you do some more spending cuts.
1270 The last few votes are bought with spending increases and
1271 tax cuts. And so the core provision of the bill will make
1272 it less likely that we can achieve the goals that my
1273 colleagues from Virginia have spoken of.

1274 Now, just on Medicare, just to the Medi-scare tactics
1275 we have heard, we keep hearing Medicare is going broke.

1276 Medicare is going broke, as if that is something new.
1277 Medicare has been going broke since it started. The day
1278 Medicare started, they had a solvency of about 5 or 6 years,
1279 10 years, 20 years. It has always been going broke. Last
1280 year, we extended the solvency 9 years without a single vote
1281 from the other side of the aisle. So if you want to extend
1282 the solvency, you should have voted with us last year, which
1283 you didn't.

1284 Furthermore, as my colleague from North Carolina has
1285 said, it is a health care challenge not just a Medicare
1286 challenge. Health care costs are going up greater than
1287 inflation. So whatever we do this year, unless we get
1288 health care costs under control, it is getting worse.

1289 And finally, as my colleague from New York says, we
1290 haven't cut the costs of Medicare. We have just cost-
1291 shifted. It is actually worse than that. We have increased
1292 the costs of health care because we are going to the private
1293 sector. You got to deal with sales commissions, corporate
1294 CEO salaries, dividends, profits, and everything else which
1295 will actually increase costs, and at the same time, the
1296 Medicare program will be paying less. So not only are you
1297 cost-shifting, you are actually increasing the costs and
1298 shifting them all onto the private sector.

1299 The estimates are that when this, whatever you call
1300 it, thing starts, there will be \$6,000 less than is needed

1301 to match what people are getting now on their Medicare card,
1302 and it is getting worse because it is not keeping up with
1303 inflation. 10 years after that, it will be about \$12,000 a
1304 year short of what the Medicare card now provides.

1305 I would hope that we would protect the Medicare
1306 program, that we would protect our future senior citizens
1307 from these kind of draconian cuts in health care, and adopt
1308 the amendment so that if we want a Medicare program, willing
1309 to pay for it, we ought to be able to have it.

1310 I yield back to the gentleman.

1311 Chairman Smith. Thank you, Mr. Scott.

1312 Mr. Watt. I thank the gentleman for yielding.

1313 Chairman Smith. The gentleman from Arkansas?

1314 Mr. Griffin. Thank you, Mr. Chairman.

1315 Mr. Watt. Mr. Chairman, it is my time and my time has
1316 not expired.

1317 Chairman Smith. The gentleman from North Carolina is
1318 correct. I thought he had yielded back.

1319 Mr. Watt. I yield back.

1320 [Laughter.]

1321 Mr. Watt. I just wanted to be clear. Mr. Gohmert
1322 wants me to follow the rules.

1323 Chairman Smith. Mr. Watt, that makes you right twice
1324 today.

1325 Mr. Watt. I want the chairman to follow the rules.

1326 Chairman Smith. Thank you, Mr. Watt.

1327 Mr. Watt. I yield back, Mr. Chairman.

1328 Chairman Smith. Thank you for doing so.

1329 The gentleman from Arkansas, Mr. Griffin, is
1330 recognized.

1331 Mr. Griffin. Thank you, Mr. Chairman.

1332 What we have seen here today in the Judiciary
1333 Committee is the precise kind of demagoguery that is hurting
1334 the debate on Medicare. We had someone from the other side
1335 of the aisle a minute ago indicate that even though it is
1336 not a voucher, they would continue to call it a voucher.

1337 I would draw your attention to an op-ed from February
1338 24th, 1999 written by Democrat Senator John Breaux of
1339 Louisiana. And by the way, he wasn't the only Democrat on
1340 the Medicare Commission appointed by Clinton. He was also
1341 joined by Senator Bob Kerrey of Nebraska who backed Senator
1342 Breaux in pushing for premium support.

1343 He said, quote, what exactly is a premium support
1344 model? And what does my version do? Premium support means
1345 the Government would literally support or pay part of the
1346 premium for a defined core package of Medicare benefits.
1347 This is not a voucher program but an alternative to the
1348 current system. Today Congress micromanages Medicare and
1349 the Government uses fee schedules and thousands of pages of
1350 regulations to set prices for specific services. My plan

1351 combines the best that the private sector has to offer with
1352 the Government protections we need to maintain the social
1353 safety net. End quote.

1354 Also, he goes on to say that this is like the plan
1355 that Federal employees have. Quote: I have proposed a
1356 premium support Medicare plan modeled after the health care
1357 plan serving nearly 10 million Federal workers, retirees,
1358 and their families. Like that plan, my reform plan would
1359 also guarantee that the Government's contribution keeps pace
1360 with health care costs. End quote.

1361 Now, we can have a debate about the substance and how
1362 we are going to reform Medicare. We can debate our plan
1363 versus no plan. I get that. But what we can't do is call
1364 this something that it is not. That is the demagoguery in
1365 this particular instance. And no matter how many times I
1366 cite to the roots of our plan, which are Democratic roots,
1367 Bob Kerrey and Senator Breaux -- and you can minimize how
1368 much of a Democrat they are -- they were the key to this
1369 plan, and that is what our plan is based on.

1370 Mr. Conyers. Would the gentleman yield?

1371 Mr. Griffin. No, I will not yield.

1372 Mr. Conyers. Thank you.

1373 Ms. Jackson Lee. Mr. Chairman?

1374 Mr. Griffin. I will not yield.

1375 Ms. Jackson Lee. Is he finished?

1376 Mr. Griffin. I am not finished.

1377 Chairman Smith. The gentleman from Arkansas has the
1378 time.

1379 Mr. Griffin. Again, what we hear is we hear a debate
1380 between our plan and the status quo. I haven't seen a plan
1381 from the other side that saves Medicare. There is no plan.

1382 We are going bankrupt. Yes, we have been at the
1383 threshold of bankruptcy before. And you know what we did?
1384 We borrowed more money. We can't do that anymore.

1385 So I look forward to debating a substantive plan when
1386 you get one. Until then, at least debate our plan based on
1387 the facts.

1388 Thank you, Mr. Chairman.

1389 Ms. Jackson Lee. Mr. Chairman?

1390 Chairman Smith. Thank you, Mr. Griffin.

1391 The gentlewoman from Texas, Ms. Jackson Lee, is
1392 recognized.

1393 Ms. Jackson Lee. I am rising to strike the last word,
1394 but Mr. Ranking Member, do you want to have a comment? I
1395 can yield to for a moment.

1396 Mr. Conyers. Well, I did. I wanted to talk with the
1397 distinguished gentleman from Arkansas, but he wouldn't
1398 yield.

1399 Ms. Jackson Lee. Let me thank you, and anytime that
1400 you want me to yield, Mr. Conyers, I will be happy to do so.

1401 The gentleman from Arkansas is distinguished, and he
1402 happens to come from the State of President William
1403 Jefferson Clinton. I think there is a little need for those
1404 of us who have a little wisdom -- I wouldn't say age -- to
1405 recount for the gentleman from Arkansas that at the time
1406 that his fellow native son was President of the United
1407 States, we placed on the rolls of this country a half a
1408 trillion dollars in surplus. We did that, as some of my
1409 colleagues have said, with preserving Medicare, creating the
1410 Children's Health Insurance Program, and responding to the
1411 Reason Prize of Warren Buffet and Bill Gates, and that is
1412 eliminating the tax cuts for the top 2 percent.

1413 It is interesting that my friends say that the
1414 American public don't want to hear anything other than
1415 whether or not we can pass this particular amendment. But I
1416 would beg to differ. What they do understand is creating a
1417 voucher program, which is what it is, making Medicare worse
1418 than it is, and pitting under 55 against those who may be a
1419 little older. In fact, some of their legislation raises the
1420 age of retirement for Social Security.

1421 The argument that Democrats are making is that it is
1422 not a common sense perspective to address the question of
1423 Medicare without addressing the question, if you will, of
1424 revenue producers and the recognition that Medicare saves
1425 money if we get rid of waste, fraud, and abuse, which most

1426 people don't want to hear, if you provide a safety net of
1427 health care for seniors that now has a preventative
1428 component to it based upon the Affordable Care Act, which if
1429 you would allow it to work, you will see that costs can come
1430 down because it will be provided preventative care.

1431 In addition, coming from the City of Houston and Texas
1432 Medical Center, let them tell you how important research is
1433 that my friends will eliminate with this balanced budget
1434 amendment. And so we won't have the research that is
1435 necessary to produce the kind of discoveries that can better
1436 bring down health care costs because we will have,
1437 hopefully, the kinds of remedies that will stem some of the
1438 tides of ailments that raise the cost of health care.

1439 So the balanced budget amendment with the amendment
1440 that Mr. Conyers has, which I rise to support, is a response
1441 to preserving a system that has not caused this kind of
1442 catastrophic debt. The catastrophic debt has been caused
1443 because we gave the tax cuts with no money to pay for it.
1444 We continued two wars at a time. One still takes \$10
1445 billion out of the economy.

1446 And I would like my colleagues to join me in asking
1447 for a rapid redeployment within reason of the troops in
1448 Afghanistan which would save them \$10 billion a month. That
1449 is \$1.2 trillion over the year.

1450 Medicare is a system that has saved lives and has

1451 minimized the cost of languishing seniors on the public
1452 dole, in essence, because they had no coverage for their
1453 health needs. This is a system that seniors understand, and
1454 they know that Republicans are vouchering it and ending
1455 Medicare as they know it. The balanced budget amendment is
1456 going to create that travesty even worse. The Conyers
1457 amendment is giving us a lifeline, a safety net.

1458 But it baffles me when my friends want to quote a good
1459 friend of ours, Senator Breaux, on President Clinton's
1460 commission, but they refuse to cite President Clinton's own
1461 strategy for increasing the revenue and balancing the
1462 budget, taking these horrible, draconian tax cuts that are
1463 unnecessary on the top 2 percent, investing that into the
1464 American public, providing revenue, not having wars continue
1465 now longer than World War II and, of course, not looking to
1466 end Medicare as we know it. That is something that I am not
1467 ashamed of.

1468 And I will say to you that when you talk about the
1469 balanced budget and you ask the American people, one, would
1470 they support it if it required a 20 percent cut in spending
1471 on entitlement programs such as Medicare -- and I hate that
1472 word "entitlement" because it really is something that
1473 seniors and others have invested in -- they say 69 percent
1474 no. No. And if you ask the American people whether they
1475 want the debit limit to be raised and you tell them it is

1476 not about spending, it is about paying bills, it is about
1477 leaving military on the battlefields without any equipment
1478 and resources to do their job.

1479 So I would just say to my friends, Mr. Conyers, I
1480 think your amendment is an appropriate lifeline for what we
1481 are trying to do here today. I don't think the balanced
1482 budget amendment fits into the structure of the United
1483 States funding process. It is not a single State. And I
1484 ask my colleagues to support the Conyers amendment.

1485 I yield back.

1486 Chairman Smith. Thank you, Ms. Jackson Lee.

1487 The gentleman from Arizona, Mr. Franks, is recognized.

1488 Mr. Franks. Well, thank you, Mr. Chairman. I know
1489 that is becoming a protracted debate, but I am especially
1490 concerned when my colleagues on the other side talk about
1491 Medicare in the context of really just trying to distort the
1492 whole debate here. One suggestion was this is just cost-
1493 shifting, and then the other gentleman said, no, this is not
1494 cost-shifting. This is an increase in the cost.

1495 And I would say, first of all, if maintaining
1496 Government control is some idea of reducing costs, it will
1497 be the first time in history that that has ever happened.
1498 That has never happened.

1499 Back when we were debating whether or not we should
1500 allow some market reforms, some ability for consumers to

1501 make decisions about their telephone costs back when we were
1502 deciding whether Ma Bell, the Government-controlled entity,
1503 should be maintained as it were, the left said, oh, if we
1504 make that something where people have decisions and can make
1505 market decisions themselves, at that point we will destroy
1506 the whole system. People up in the mountains, little, old
1507 ladies out in the wilderness will have no phone service and
1508 they will all die. That is basically what they said.

1509 But when you put the ability for people to make their
1510 own decisions and have some sort of market choice in the
1511 matter, something wonderful happens. The market responds.
1512 Innovation occurs. Without trying to sound insulting to my
1513 friends on the other side, please look up that word,
1514 "innovation," because that is what changes everything for
1515 us. What happened when we allowed the telephone system to
1516 innovate, now everybody in the room, 95 percent of you, have
1517 cell phones that you can access the Library of Congress
1518 with. At the time that we did this, there was old clunker
1519 telephone that every time you picked it up, you had to dial
1520 it and the operator got smart with you when you asked her
1521 what time it was. And everything has changed since then.
1522 We don't debate that anymore. But I will remind my
1523 colleagues on the left that they said that this was going to
1524 be the destruction of the system.

1525 They said the same thing about Federal Express, that

1526 somehow allowing Federal Express to compete with the post
1527 office would destroy the post office. But it gave us an
1528 absolute innovation that changed everything for everyone.

1529 And the problem with health care is it costs too much,
1530 and we need to make it accessible and affordable for
1531 everyone. And if we leave it in the Government's hands
1532 completely like we are doing, it will only cost more. If it
1533 doesn't, it will be the first time, as I said, in history.

1534 And, Mr. Chairman, we have got to start focusing again
1535 on innovation, and the Ryan plan at least allows the people
1536 to have some option as to which they choose. And it is not
1537 just about efficiencies. This is about innovation that
1538 changes \$3.10 a minute long distance into so cheap that it
1539 is not worth measuring anymore. And if we can do the same
1540 thing for health care, we have a chance --

1541 Mr. Deutch. Will the gentleman yield for a question?

1542 Mr. Franks. I would yield.

1543 Mr. Deutch. I would like to follow the gentleman's
1544 logic through. If providing market choice is the ultimate
1545 solution, as the gentleman maintains was in the
1546 telecommunications industry, as it would be if we moved away
1547 from the Medicare system that has served our seniors so
1548 well, just to play this out, anticipating the rest of this
1549 debate, is the gentleman also suggesting that providing
1550 market choice and taking the choices away from the

1551 Government the best solution to Social Security as well?

1552 Mr. Franks. Mr. Chairman, apart from any of this
1553 debate -- and I don't appoint these comments to anybody
1554 else, but I truly believe that the best way we could help
1555 future generations is to allow them to choose between the
1556 existing system and to be able to choose among private
1557 options. If they had done that 50 years ago, we wouldn't be
1558 having that debate today. Those are my own opinions.

1559 Mr. Deutch. If the gentleman would yield. Again, I
1560 appreciate it. For a point of clarification then, there has
1561 been an awful lot of talk about demagoguery. I just want to
1562 make sure that I understand, as this debate goes forward,
1563 that ultimately when it comes to Social Security and the
1564 opportunity for savings, the way to achieve those savings,
1565 according to the gentleman from Arizona, is through
1566 privatizing Social Security.

1567 Mr. Franks. That is not what I said. I said that I
1568 think that if we had a long time ago allowed people to
1569 choose between the Government system and what they could
1570 find among the private sector options, that we wouldn't be
1571 having this debate today. I still believe we should do that
1572 today. That is correct.

1573 Mr. Deutch. Okay. I appreciate it.

1574 Chairman Smith. Does the gentleman from Arizona yield
1575 back his time?

1576 Mr. Franks. I yield back.

1577 Chairman Smith. I thank Mr. Franks.

1578 The gentlewoman from California, Ms. Waters, is
1579 recognized.

1580 Ms. Waters. I yield to the gentleman from New York.

1581 Mr. Nadler. Thank you. I thank the gentlelady for
1582 yielding.

1583 I just want to make a couple comments.

1584 You know, it is cost-shifting because the gentleman
1585 from Arizona commented and I wanted to make some comments.
1586 It is cost-shifting and it is cost-increasing. The overhead
1587 costs of Medicare, a Government program -- that is to say,
1588 the amount of receipts -- the percentage of the receipts
1589 that come in that are not spent to pay providers of
1590 services, the cost of running the system -- is about 2
1591 percent. The same provision in private insurance companies
1592 is between 15 and 35 percent because they have to pay for
1593 marketing and all kinds of things. So Medicare is a much
1594 more efficient system than the private systems.

1595 Now, because Congress didn't believe that when Mr.
1596 Gingrich was Speaker, we performed an experiment. The
1597 experiment was called Medicare Advantage. And what did that
1598 say? That said, okay, let's give people choices. We will
1599 say that people on Medicare either can use traditional
1600 Medicare or can go buy a private policy. And the Government

1601 will pay the entire premium of that private policy, and
1602 because we -- we, the Republicans in charge at that time --
1603 expected this to be more efficient, we figure it will save
1604 at least 5 percent, that the costs will be no more than 95
1605 percent of the costs as if you handled this person on the
1606 traditional Medicare system.

1607 That was what was done. That was the assumption.
1608 That was the propaganda. And based on that, Medicare
1609 Advantage was enacted.

1610 What happened? It turned out 2 years ago we were
1611 spending 114 percent on every Medicare Advantage patient.
1612 In other words, everybody who said I want to choose a
1613 Medicare Advantage plan, I want to sign up with some private
1614 company -- we ended up giving that private company 114
1615 percent of the cost of handling it under traditional
1616 Medicare.

1617 In the Affordable Care Act, what some people call
1618 Obamacare, regardless of its other merits or demerits, one
1619 things we did was to say we will no longer pay Medicare
1620 Advantage more than 100 percent of the costs of what we
1621 would do. And many of the Republicans screamed and said
1622 this is terrible. This is reducing choice for senior
1623 citizens. But what was it saying? It was saying that
1624 senior citizens can continue to have choice under Medicare
1625 Advantage but only to the extent that it doesn't cost more.

1626 It is supposed to cost less because the private sector is
1627 more efficient. But we will limit to 100 percent of the
1628 cost. And we did that. And many of the Medicare Advantage
1629 plans are continuing, but probably some won't because they
1630 are, in fact, not inherently more efficient.

1631 Mr. Forbes. Would the gentleman yield?

1632 Mr. Nadler. Yes. To whom, I am not sure, but I will
1633 yield.

1634 Mr. Forbes. I am just trying to clarify the
1635 gentleman's position, and if I could just ask him. Does the
1636 gentleman agree with the Congressional Budget Office
1637 assessment that Medicare and the current plan will be
1638 bankrupt in 9 years? Or do you feel that CBO was incorrect
1639 on that assessment?

1640 Mr. Nadler. Well, I think the trustees gave a figure
1641 longer than that. But let me just say this. As I said
1642 before, there is a real problem, but the problem is not
1643 specifically a Medicare problem.

1644 Mr. Forbes. No, no.

1645 Mr. Nadler. Let me just finish. I am reclaiming my
1646 time.

1647 And that problem is all medical costs are going up way
1648 faster than inflation, whether you pay for it by Medicare or
1649 Medicaid or private insurance or out of your pocket. And
1650 that is a problem we have to deal with it.

1651 Now, we could deal with it in certain ways, for
1652 instance, by repealing the law that the Republicans passed
1653 in 2003, I think it was, that says that Medicare may not
1654 negotiate drug prices with the private pharmaceutical
1655 companies. That would go a long way towards solving this
1656 problem. There are other things we could do, but it is not
1657 just a Medicare problem. It is an overall problem.

1658 Mr. Forbes. The question I would ask the gentleman,
1659 though, is he does agree that the CBO analysis or the
1660 trustee analysis -- he doesn't disagree that --

1661 Mr. Nadler. There is a problem down the road, yes.

1662 Mr. Forbes. And then can the gentleman tell me if he
1663 has put forward or supports any single plan that has been
1664 evaluated by CBO?

1665 Mr. Nadler. Reclaiming my time, the answer is yes.
1666 One I just mentioned a moment ago. We should negotiate the
1667 price of pharmaceuticals. I mean, why is Medicare paying, I
1668 think, three and a half times for drugs what the VA is
1669 paying, although don't hold me to that figure, but it is
1670 some multiple.

1671 And secondly, the gentleman from Michigan, the ranking
1672 member of the committee, has been the prime sponsor and I
1673 have been a sponsor for many years of Medicare for All. And
1674 that would be paid for and -- what is the word -- solvent
1675 for a very long time to come.

1676 Chairman Smith. The gentleman's time has expired.

1677 Are there other members who wish to be recognized?

1678 The gentleman from Ohio, Mr. Chabot?

1679 Mr. Chabot. Thank you. I move to strike the last
1680 word.

1681 Chairman Smith. The gentleman is recognized for 5
1682 minutes.

1683 Mr. Chabot. Thank you, Mr. Chairman. I am not going
1684 to take all that time, although I might yield to one of the
1685 gentleman up here.

1686 There has been a lot said already this morning and I
1687 am not going to repeat all of it.

1688 I want to, first of all, commend the gentleman from
1689 Virginia. I think we should be passing a balanced budget
1690 amendment. I don't think we ought to be willy-nilly
1691 amending the Constitution. We ought to be serious about it.

1692 I would like to think that Congress has the discipline
1693 to balance the budget without the necessity or the
1694 requirement of a constitutional amendment requiring us to do
1695 that. However, historically Congress has proven, whether it
1696 was under Republican control or Democratic control, that it
1697 doesn't have that discipline. So this is one instance when
1698 I think we should amend the Constitution.

1699 We came real close when I was first elected back in
1700 1994. That was Newt Gingrich's Contract with America, that

1701 whole era. We came within one vote. We had the votes in
1702 the House. We passed it by two-thirds. In the Senate, we
1703 missed by one vote over there. And we have been trying, a
1704 number of us, for years since then. And whether we are
1705 going to get it done this time or not remains to be seen.

1706 Mr. Conyers. Would the gentleman yield?

1707 Mr. Chabot. I will in a second, but let me -- well,
1708 yes, let me go ahead and yield to the gentleman.

1709 Mr. Conyers. Is the gentleman disappointed or happy
1710 that it failed in the Senate?

1711 Mr. Chabot. Very disappointed. Reclaiming my time, I
1712 think it should have passed in the Senate. It was Mark
1713 Hatfield. I understood one Republican voted against it. It
1714 failed by one. Now, the fact was the Democrats who were
1715 running for the Senate that year who voted for it -- it just
1716 would have switched. So even if he had voted the right way,
1717 one Democrat who voted for it, would have voted against it.
1718 Now, that may be cynical, but this is my 15th year here and
1719 you tend to become cynical sometimes just by being here.

1720 But in any event, there has been a lot of discussion
1721 about Medicare. And let's face it. Whatever the topic is,
1722 unfortunately, the Democrats have really come one-trick
1723 ponies on this. The answer, the response on everything is
1724 going to be Medicare. They think they learned a lesson in
1725 New York-26 recently. That is all we are going to hear for

1726 the next year and a half. We are talking about the balanced
1727 budget amendment. Virtually everything we have heard from
1728 that side has been Medicare. If it is Afghanistan, the
1729 answer is going to be Medicare. If it global warming or
1730 what we now call climate change, it is going to be Medicare.
1731 We are going to hear it all year long, and it is
1732 unfortunate.

1733 Mr. Conyers. Would the gentleman yield again? Just
1734 one.

1735 Mr. Chabot. Yes, I will be happy. I have really
1736 enjoy the gentleman and appreciate him and I will yield to
1737 him.

1738 Mr. Conyers. The reason that you keep hearing
1739 Medicare is because my amendment exempts Medicare from this
1740 bill.

1741 Mr. Chabot. Reclaiming my time, again it is going to
1742 be the answer to every single issue that comes up for the
1743 next year and a half. Get ready for it. It is coming. We
1744 are already in that mode.

1745 The unfortunate thing is that, as has already been
1746 mentioned, Medicare is really important. My mom is on
1747 Medicare. Some folks on this committee may be. Our parents
1748 are, et cetera. We will be if it still exists some day.

1749 The problem is it is literally going bankrupt. It is
1750 going broke. We have got to save it. This isn't the only

1751 way to save it. It is a possibility. We wanted to have a
1752 discussion about this. President Obama was going to be
1753 involved in it. As soon as it was out there, it has now
1754 become the hot potato political issue, and it is unfortunate
1755 because we really do need to save this program because it is
1756 very, very important.

1757 But in any event, let me just mention one other thing.
1758 Then I am going to yield to the gentleman here.

1759 We need to be talking about jobs and the economy, and
1760 one of the reasons I believe that this economy has continued
1761 to just trudge along is that the markets -- our people know
1762 it. It isn't improving because we still haven't gotten
1763 serious up here about balancing the budget and it really
1764 does need to be done in a bipartisan manner. And the
1765 President needs to work with the Congress to get this done.
1766 But we are getting close to election season, and I think we
1767 are going to see way too much politics. We are already
1768 seeing that.

1769 I took up much more time than I wanted to, but let me
1770 yield to the gentleman from California here.

1771 Mr. Lungren. Just a couple of quick things. If the
1772 Affordable Care Act is working so well, how come there are
1773 1,300 waivers, including entire States who have asked
1774 waivers of the Federal Government because they can't afford
1775 it?

1776 Secondly, when you talk about the Medicare Advantage
1777 program being 114 percent of fee-for-service, that was the
1778 average based on districts. In my own district, I can tell
1779 you Alpine County had no one involved in that program
1780 whatsoever, and yet under the statistics you cited, they
1781 rated that as 150 percent above fee-for-service when no one
1782 was involved whatsoever.

1783 Thirdly, I would say the Johns Hopkins study on
1784 Medicare Advantage shows better outcomes of those under
1785 Medicare Advantage than those under traditional Medicare,
1786 including less visits to the emergency room and less
1787 surgical procedures as a result. If you analyze it that
1788 way, in fact, the Government may have saved money.

1789 I say this because my district has one of the largest
1790 percentage of Medicare Advantage beneficiaries, many of whom
1791 are adversely affected by the passage of the bill the
1792 gentleman cited.

1793 Chairman Smith. The gentleman from Ohio's time has
1794 expired.

1795 The question is on the amendment. All in favor, say
1796 aye.

1797 [Chorus of ayes.]

1798 Chairman Smith. All opposed, nay.

1799 [Chorus of nays.]

1800 Chairman Smith. In the opinion of the chair, the nays

1801 have it and the amendment is not agreed to.

1802 Mr. Conyers. May I ask for a record vote, please?

1803 Chairman Smith. A roll call vote has been requested

1804 and the clerk will call the roll.

1805 Ms. Kish. Mr. Smith?

1806 Chairman Smith. No.

1807 Ms. Kish. Mr. Smith votes no.

1808 Mr. Sensenbrenner?

1809 [No response.]

1810 Ms. Kish. Mr. Coble?

1811 [No response.]

1812 Ms. Kish. Mr. Gallegly?

1813 [No response.]

1814 Ms. Kish. Mr. Goodlatte?

1815 [No response.]

1816 Ms. Kish. Mr. Lungren?

1817 Mr. Lungren. No.

1818 Ms. Kish. Mr. Lungren votes no.

1819 Mr. Chabot?

1820 Mr. Chabot. No.

1821 Ms. Kish. Mr. Chabot votes no.

1822 Ms. Kish. Mr. Issa?

1823 [No response.]

1824 Ms. Kish. Mr. Pence?

1825 Mr. Pence. No.

1826 Ms. Kish. Mr. Pence votes no.
1827 Mr. Forbes?
1828 Mr. Forbes. No.
1829 Ms. Kish. Mr. Forbes votes no.
1830 Mr. King?
1831 Mr. King. No.
1832 Ms. Kish. Mr. King votes no.
1833 Mr. Franks?
1834 Mr. Franks. No.
1835 Ms. Kish. Mr. Franks votes no.
1836 Mr. Gohmert?
1837 Mr. Gohmert. No.
1838 Ms. Kish. Mr. Gohmert votes no.
1839 Mr. Jordan?
1840 Mr. Jordan. No.
1841 Ms. Kish. Mr. Jordan votes no.
1842 Mr. Poe?
1843 [No response.]
1844 Ms. Kish. Mr. Chaffetz?
1845 [No response.]
1846 Ms. Kish. Mr. Griffin?
1847 Mr. Griffin. No.
1848 Ms. Kish. Mr. Griffin votes no.
1849 Mr. Marino?
1850 Mr. Marino. No.

1851 Ms. Kish. Mr. Marino votes no.
1852 Mr. Gowdy?
1853 Mr. Gowdy. No.
1854 Ms. Kish. Mr. Gowdy votes no.
1855 Mr. Ross?
1856 Mr. Ross. No.
1857 Ms. Kish. Mr. Ross votes no.
1858 Ms. Adams?
1859 Ms. Adams. No.
1860 Ms. Kish. Ms. Adams votes no.
1861 Mr. Quayle?
1862 Mr. Quayle. No.
1863 Ms. Kish. Mr. Quayle votes no.
1864 Mr. Conyers?
1865 Mr. Conyers. Aye.
1866 Ms. Kish. Mr. Conyers votes aye.
1867 Mr. Berman?
1868 [No response.]
1869 Ms. Kish. Mr. Nadler?
1870 Mr. Nadler. Aye.
1871 Ms. Kish. Mr. Nadler votes aye.
1872 Mr. Scott?
1873 Mr. Scott. Aye.
1874 Ms. Kish. Mr. Scott votes aye.
1875 Mr. Watt?

1876 [No response.]

1877 Ms. Kish. Ms. Lofgren?

1878 [No response.]

1879 Ms. Kish. Ms. Jackson Lee?

1880 Ms. Jackson Lee. Aye.

1881 Ms. Kish. Ms. Jackson Lee votes aye.

1882 Ms. Waters?

1883 Ms. Waters. Aye.

1884 Ms. Kish. Ms. Waters votes aye.

1885 Mr. Cohen?

1886 Mr. Cohen. Aye.

1887 Ms. Kish. Mr. Cohen votes aye.

1888 Mr. Johnson?

1889 Mr. Johnson. Aye.

1890 Ms. Kish. Mr. Johnson votes aye.

1891 Mr. Pierluisi?

1892 [No response.]

1893 Ms. Kish. Mr. Quigley?

1894 [No response.]

1895 Ms. Kish. Ms. Chu?

1896 Ms. Chu. Aye.

1897 Ms. Kish. Ms. Chu votes aye.

1898 Mr. Deutch?

1899 Mr. Deutch. Aye.

1900 Ms. Kish. Mr. Deutch votes aye.

1901 Ms. Sanchez?

1902 [No response.]

1903 Ms. Kish. Mr. Gallegly?

1904 Mr. Gallegly. No.

1905 Ms. Kish. Mr. Gallegly votes no.

1906 Mr. Coble. No.

1907 Ms. Kish. Mr. Coble votes no.

1908 Chairman Smith. The clerk will report.

1909 Ms. Kish. Mr. Chairman, 9 members voted aye; 17

1910 members voted nay.

1911 Chairman Smith. The majority of the members having

1912 voted against the amendment, the amendment is not agreed to.

1913 Does the gentleman from Texas have an amendment?

1914 Mr. Gohmert. I do, indeed.

1915 Chairman Smith. The gentleman is recognized for the

1916 purpose of offering his amendment.

1917 Mr. Gohmert. Thank you, Mr. Chairman.

1918 The amendment is rather basic.

1919 Chairman Smith. The clerk will report the amendment.

1920 Ms. Kish. "Amendment to H.J.Res. 1 offered by Mr.

1921 Gohmert of Texas. Page 2, line 17" --

1922 Chairman Smith. Without objection, the amendment will

1923 be considered as read.

1924 [The information follows:]

1925

1926 Chairman Smith. The gentleman from Texas is
1927 recognized to explain his amendment.

1928 Mr. Gohmert. Thank you, Mr. Chairman.

1929 It is very basic. It is also like the bill in the
1930 Senate that Senator Lee has proposed that will be a
1931 constitutional amendment. It would limit the amount of
1932 expenditures of the Federal Government to 18 percent of
1933 gross domestic product.

1934 Now, we have heard a lot of things said and there has
1935 been a lot of demagoguery. I made some notes and I want to
1936 try to address those quickly.

1937 First of all, we were told, for one thing, that if we
1938 passed this balanced budget amendment, there would be no
1939 medical research. Well, the Saulk vaccine for smallpox was
1940 first announced in 1955. That came after a number of years
1941 of 11 to 14 percent of GDP being spent by the Federal
1942 Government. If the statement were true that a balanced
1943 budget would lead to no medical research, it would mean
1944 necessarily there is no such thing as a smallpox vaccine
1945 right now. Fortunately, it is not true and there is a
1946 vaccine. Medical research would go on.

1947 Another statement was made that this amendment will
1948 make it impossible to balance the budget. No. It will make
1949 it possible. It will make it mandatory to balance the
1950 budget like States and cities do except for those who have

1951 become irresponsible and may come begging to the Federal
1952 Government for a bailout like some of the crony capitalism
1953 that has gone on in the past.

1954 We have been told that we are out to destroy Social
1955 Security and Medicare. That is simply not true, and the
1956 only alternatives we have heard from the other side is raise
1957 everybody's taxes and keep on heading for the cliff, and we
1958 can say all the way down to the floor of the canyon, we are
1959 doing all right so far. That is not a viable alternative.

1960 Also, despite the demagoguery, we have made sure --
1961 the majority has -- we don't want to do anything that would
1962 adversely affect, would lessen the program for anyone 55 or
1963 over because they don't have time to change their
1964 retirement. They don't have time to change plans for
1965 Medicare, and it would be unfair to them. But for all of
1966 those under 55, who would not have anything the way we are
1967 headed, it is grossly unfair not to think of them, along
1968 with our seniors. And we are doing both of those things.

1969 And then to have people who voted to cut Medicare \$500
1970 billion and who were okay with putting a guy in charge of
1971 the program who says it is just a matter of when we are
1972 going to ration. And the same people pushing this who said
1973 England is what we want to emulate. And then we hear this
1974 week that now they have a new target. They are going to try
1975 to see that people who need procedures get them within 4 and

1976 a half years. People die during those 4 and a half years
1977 waiting, and that is the only way the Obamacare structure
1978 will work and the \$500 billion cuts is because people get in
1979 line. They get rationed care. It is the way socialized
1980 medicine works. And we want to avoid that.

1981 Also, if Obamacare is that great a thing, then we
1982 wouldn't have the scandal with Mr. Weiner like we do, and
1983 everybody knows what I am talking about, the fact that he
1984 demagogued how important Obamacare was and then turned
1985 around and was pushing for a waiver for New York City. That
1986 is a real scandal. And I hope that it will be overcome.

1987 Mr. Nadler. A point of order, Mr. Chairman.

1988 Chairman Smith. The gentleman will state his point of
1989 order.

1990 Mr. Nadler. I think it is against the rules to
1991 question the motives of another Member --

1992 Chairman Smith. In the chair's --

1993 Mr. Nadler. -- or to make derogatory comments --

1994 Mr. Gohmert. There was no questioning of --

1995 Chairman Smith. The chair will respond to the point
1996 of order. In the opinion of the chair, the gentleman from
1997 Texas did not question the motive of the gentleman from New
1998 York.

1999 Mr. Nadler. Or refer to -- or the second half of what
2000 I said?

2001 Chairman Smith. Would the gentleman restate his point
2002 of order?

2003 Mr. Nadler. Make derogatory personal comments about
2004 another Member who is not here.

2005 Chairman Smith. In the opinion of the chair, in this
2006 case I don't recall any personal derogatory comments. So I
2007 do not believe that was the case.

2008 Mr. Nadler. Well, let me just urge the chairman to
2009 remind members of the rules.

2010 Chairman Smith. The gentleman from Texas may want to
2011 rephrase whatever comment he can that you are referring to,
2012 but I don't think I heard any personally derogatory
2013 comments. Does the gentleman from Texas want to clarify
2014 his --

2015 Mr. Gohmert. I don't think I need to. When a Member
2016 states one thing and then asks for an exception to what he
2017 pushed for everybody else, I think we ought to be able to
2018 talk about that.

2019 Chairman Smith. Nor do I think that the gentleman
2020 from Texas used the adjective to describe that that would be
2021 personally offensive.

2022 The gentleman from Texas will continue.

2023 Mr. Gohmert. Thank you, Mr. Chairman.

2024 As far as Social Security, we were told that people
2025 are raiding Social Security and what was unsaid, inferred,

2026 Willie Sutton said that is where the money is when he talked
2027 about robbing banks. The fact is Social Security is not
2028 where the money is. There has not ever been one dime in the
2029 Social Security Trust Fund. And I am going to be pushing
2030 this year for a bill that says for the first time since FDR
2031 pushed through Social Security, we do the responsible thing
2032 and start putting real money in the Social Security Trust
2033 Fund and be more responsible about it. There is no money
2034 there.

2035 Jobs will abound when the country sees the Government
2036 living within its means like they do, like most States, like
2037 most cities do. This is a good bill. It is a good
2038 amendment. It does the responsible thing for this
2039 generation and for future generations. And we can then
2040 ultimately some day be called "blessed" instead of --

2041 Mr. Watt. Mr. Chairman, I ask unanimous consent that
2042 the gentleman have 30 additional --

2043 Chairman Smith. Thank you, Mr. Gohmert.

2044 Mr. Watt. I wanted him to finish his thought. I was
2045 asking unanimous consent that he have 30 additional seconds
2046 so he could finish.

2047 Chairman Smith. Without objection, the gentleman from
2048 Texas is given an additional 30 seconds.

2049 Mr. Gohmert. Thank you, Mr. Chairman.

2050 Apparently I had said Jonas Saulk in smallpox. I am,

2051 of course, talking about polio because I remember getting
2052 those inoculations and that was quite an event.

2053 But I thank you. I yield back.

2054 Chairman Smith. The gentleman has yielded back his
2055 time.

2056 The gentleman from New York, Mr. Nadler, is
2057 recognized.

2058 Mr. Nadler. Thank you, Mr. Chairman. I am glad the
2059 gentleman clarified the point. There is a little 200-year
2060 differential there.

2061 Mr. Chairman, I am opposed to this amendment. This
2062 amendment would restrict the future expenditures of the
2063 Federal Government regardless of the wishes of any majority
2064 in the future to 18 percent. First of all, I object to this
2065 on the grounds that I object to the 20 percent in the
2066 amendment. It is wrong for a majority, even the heavy
2067 majority, in this year to bind people based on our economic
2068 philosophy to a particular economic philosophy or a
2069 particular budget strategy down the road. Who knows what
2070 the political circumstances or economic circumstances will
2071 be 40 or 50 or 100 years from now? Who knows what the
2072 political philosophy will be or the economic circumstances?
2073 Maybe then they will think that balanced budgets are a great
2074 thing or a terrible thing. They are entitled to make those
2075 decisions. That is what democracy is about.

2076 Now, I read earlier that in order to get to 20
2077 percent, we would have to cut nondiscretionary programs by
2078 70 percent, make deeper cuts in Medicare than even the Ryan
2079 budget proposes or the Republican budget, which is basically
2080 to eliminate it. To get to 18 percent. Why 18 percent?

2081 Let me read you, during the Reagan administration,
2082 what the percentages were, fiscally conservative Republican
2083 President: 23, 24, 22, 23, 23, 22, 21, 21, 22, 22, 22.
2084 That is Reagan and Bush I. Bush III: 19, 19, 20, 20, 20,
2085 20, 20, 21 percent. Those are rounded off to the nearest
2086 percentage figure.

2087 We have not been below 18 percent since 1966. Why
2088 1966? Because that is the year before Medicare went into
2089 effect. Once Medicare went into effect and you count that
2090 as part of the Federal expenditures, you can't keep it to 18
2091 percent.

2092 And by the way, our population, in case no one has
2093 noticed, is aging. A larger proportion of our population in
2094 the future is going to be on Medicare and Social Security, a
2095 larger proportion than now and certainly a larger proportion
2096 than a few years ago. And that means that the percentage of
2097 Federal expenditures has to go up just to pay for the
2098 Medicare and the Social Security unless we want to cut
2099 Medicare and Social Security, which I presume we don't want
2100 to do. So to get to 18 percent would be impossible without

2101 decimating Medicare and Social Security and everything else.

2102 And again, any particular figure is an imposition by
2103 those of us here now on our successors which is simply wrong
2104 to do. And an 18 percent figure which would bind the
2105 Government to a percentage it has never been able to meet
2106 since before Medicare was enacted is just a guarantee that
2107 we are never going to see Medicare again, and we are never
2108 going to see a lot of other things.

2109 And I would have been more impressed with this
2110 amendment if instead of a general thing that, well, you
2111 know, even with less scientific research, we invented the
2112 polio vaccine, we had seen some sort of an economic estimate
2113 as to how we could ever do 18 percent, how this Government
2114 could do 18 percent and still do half the things that people
2115 demand the Government do in this day and age or in the
2116 future day and age.

2117 So on that basis, because it is impractical and also
2118 because it is wrong to bind our successors to a particular
2119 political philosophy -- it is one thing to say the budget
2120 should be balanced as a general rule. It is another thing
2121 to say at this amount. I oppose this amendment and I yield
2122 back.

2123 Chairman Smith. Thank you, Mr. Nadler.

2124 Are there other members who wish to be heard on this
2125 amendment?

2126 Mr. Franks. Mr. Chairman?

2127 Chairman Smith. The gentleman from Arizona, Mr.
2128 Franks?

2129 Mr. Franks. Mr. Chairman, I just wanted to speak in
2130 favor of this amendment. I support the amendment to lower
2131 the balanced budget amendment's cap on Federal spending to
2132 18 percent of gross domestic product. Although I believe
2133 the underlying bill's 20 percent toward the spending cap
2134 would have gone far toward balancing the budget, I believe
2135 the lower cap will ensure that the budget will, indeed, be
2136 balanced.

2137 And if we want to do that, Mr. Chairman, very simply
2138 we know that we can't spend more than the Government takes
2139 in. Historically Government revenues show that the
2140 Government has only taken in more than 20 percent of GDP
2141 three times since 1940. And I just urge my colleagues to
2142 support this amendment.

2143 Chairman Smith. Thank you, Mr. Franks.

2144 Are there other members who wish to be recognized?
2145 The gentleman from Virginia, Mr. Scott?

2146 Mr. Scott. Thank you, Mr. Chairman.

2147 Mr. Chairman, again, I need to remind everybody that
2148 the underlying legislation does not require a balanced
2149 budget. It just requires a 60 percent vote to pass a
2150 budget. Any budget that we are considering, even a

2151 draconian deficit reduction plan will require a 60 percent
2152 vote rather than a simple majority. And we just ask people
2153 to think for a minute. Will that make it easier or harder
2154 to pass a balanced budget? I think most people will
2155 conclude that getting serious and asking legislators to get
2156 really serious about fiscal responsibility will make it
2157 harder to balance the budget by requiring a 60 percent vote.

2158 Budgeting is about choices. If we want a health care
2159 plan like we did last year and are willing to pay for it,
2160 that is a balanced choice. Under this amendment, if we are
2161 spending under 20 percent of the economy as we did when
2162 President Clinton was President, we can cut taxes and
2163 increase spending and wouldn't have to pay for it under this
2164 amendment. There is no requirement that you balance the
2165 budget. You just need 60 percent to pass a budget.

2166 To spend more than 18 percent with this amendment
2167 would require a two-thirds vote. If that actually were in
2168 effect today, the proposed constitutional amendment would
2169 just about guarantee that the Republican plan to end
2170 Medicare as we know it would be required by the
2171 Constitution. In fiscal year 2011, the fiscal outlays were
2172 estimated to reach 25 percent of GDP. Because revenues were
2173 down because of the economy and because of the bad economy,
2174 we had additional expenses. Medicare and Medicaid spending
2175 are growing exponentially, and unless the Federal Government

2176 and the private sector begin serious health care controls,
2177 it is going to get even worse. And so if this amendment
2178 were in effect, again you would have to virtually be
2179 required to repeal Medicare, Medicaid, and probably Social
2180 Security.

2181 As the Great Recession and the Great Depression have
2182 proven, when the economy contracts significantly, it is
2183 vital that the Federal Government be flexible enough to step
2184 in and invest in the economy when the private sector is
2185 unable to do so. A 290-vote requirement in the House and a
2186 67-vote requirement in the Senate would be too high a
2187 threshold to enact emergency legislation to accelerate
2188 economic growth during these times of recession.

2189 Additionally, it makes responsible legislating even
2190 more difficult. You can see that we are even having trouble
2191 now coming up with funds to deal with the tornadoes. It has
2192 always been an emergency without offsets. We are looking
2193 for offsets now. There is a question of whether we are
2194 going to respond appropriately to the victims of all these
2195 natural disasters. And so this amendment would actually
2196 make matters worse.

2197 There may be a partisan reason to enact this provision
2198 of 18 percent. It would help the Republicans repeal
2199 Medicare. It would help them privatize Social Security.
2200 Other provisions will make it harder to raise taxes and

2201 therefore harder to balance the budget. But an arbitrary 18
2202 percent limitation will do nothing to help balance the
2203 budget.

2204 I would hope that we would defeat this amendment and
2205 in fact defeat the entire underlying legislation.

2206 Chairman Smith. Thank you, Mr. Scott.

2207 The question is on the Gohmert amendment. All in
2208 favor, say aye.

2209 [Chorus of ayes.]

2210 Chairman Smith. All opposed?

2211 [Chorus of nays.]

2212 Chairman Smith. In the opinion of the chair, the ayes
2213 have it and the amendment is agreed to.

2214 Mr. Conyers. A record vote is requested.

2215 Chairman Smith. A recorded vote has been requested,
2216 and the clerk will call the roll.

2217 Ms. Kish. Mr. Smith?

2218 Chairman Smith. Aye.

2219 Ms. Kish. Mr. Smith votes aye.

2220 Mr. Sensenbrenner?

2221 [No response.]

2222 Ms. Kish. Mr. Coble?

2223 [No response.]

2224 Ms. Kish. Mr. Gallegly?

2225 [No response.]

2226 Ms. Kish. Mr. Goodlatte?
2227 [No response.]
2228 Ms. Kish. Mr. Lungren?
2229 Mr. Lungren. No.
2230 Ms. Kish. Mr. Lungren votes no.
2231 Mr. Chabot?
2232 [No response.]
2233 Ms. Kish. Mr. Issa?
2234 [No response.]
2235 Ms. Kish. Mr. Pence?
2236 [No response.]
2237 Ms. Kish. Mr. Forbes?
2238 Mr. Forbes. No.
2239 Ms. Kish. Mr. Forbes votes no.
2240 Mr. King?
2241 Mr. King. Aye.
2242 Ms. Kish. Mr. King votes aye.
2243 Mr. Franks?
2244 Mr. Franks. Aye.
2245 Ms. Kish. Mr. Franks votes aye.
2246 Mr. Gohmert?
2247 Mr. Gohmert. Aye.
2248 Ms. Kish. Mr. Gohmert votes aye.
2249 Mr. Jordan?
2250 Mr. Jordan. Aye.

2251 Ms. Kish. Mr. Jordan votes aye.
2252 Mr. Poe?
2253 [No response.]
2254 Ms. Kish. Mr. Chaffetz?
2255 [No response.]
2256 Ms. Kish. Mr. Griffin?
2257 [No response.]
2258 Ms. Kish. Mr. Marino?
2259 Mr. Marino. Aye.
2260 Ms. Kish. Mr. Marino votes aye.
2261 Mr. Gowdy?
2262 Mr. Gowdy. Aye.
2263 Ms. Kish. Mr. Gowdy votes aye.
2264 Mr. Ross?
2265 Mr. Ross. Aye.
2266 Ms. Kish. Mr. Ross votes aye.
2267 Ms. Adams?
2268 Ms. Adams. Aye.
2269 Ms. Kish. Ms. Adams votes aye.
2270 Mr. Quayle?
2271 Mr. Quayle. Aye.
2272 Ms. Kish. Mr. Quayle votes aye.
2273 Mr. Conyers?
2274 Mr. Conyers. No.
2275 Ms. Kish. Mr. Conyers votes no.

2276 Mr. Berman?
2277 [No response.]
2278 Ms. Kish. Mr. Nadler?
2279 Mr. Nadler. No.
2280 Ms. Kish. Mr. Nadler votes no.
2281 Mr. Scott?
2282 Mr. Scott. No.
2283 Ms. Kish. Mr. Scott votes no.
2284 Mr. Watt?
2285 Mr. Watt. No.
2286 Ms. Kish. Mr. Watt votes no.
2287 Ms. Lofgren?
2288 [No response.]
2289 Ms. Kish. Ms. Jackson Lee?
2290 [No response.]
2291 Ms. Kish. Ms. Waters?
2292 Ms. Waters. No.
2293 Ms. Kish. Ms. Waters votes no.
2294 Mr. Cohen?
2295 Mr. Cohen. No.
2296 Ms. Kish. Mr. Cohen votes no.
2297 Mr. Johnson?
2298 Mr. Johnson. No.
2299 Ms. Kish. Mr. Johnson votes no.
2300 Mr. Pierluisi?

2301 [No response.]

2302 Ms. Kish. Mr. Quigley?

2303 [No response.]

2304 Ms. Kish. Ms. Chu?

2305 Ms. Chu. No.

2306 Ms. Kish. Ms. Chu votes no.

2307 Mr. Deutch?

2308 Mr. Deutch. No.

2309 Ms. Kish. Mr. Deutch votes no.

2310 Ms. Sanchez?

2311 [No response.]

2312 Ms. Kish. Mr. Gallegly?

2313 Mr. Gallegly. Aye.

2314 Ms. Kish. Mr. Gallegly votes aye.

2315 Mr. Coble?

2316 Mr. Coble. Aye.

2317 Ms. Kish. Mr. Coble votes aye.

2318 Mr. Griffin?

2319 Mr. Griffin. Aye.

2320 Ms. Kish. Mr. Griffin votes aye.

2321 Chairman Smith. Are there other members who wish to

2322 be recorded on this amendment?

2323 [No response.]

2324 Chairman Smith. If not, the clerk will report.

2325 Ms. Kish. Mr. Chairman, 13 members voted aye; 11

2326 members voted nay.

2327 Chairman Smith. The majority having voted in favor of
2328 the amendment, the amendment is agreed to.

2329 The committee will now stand in recess until 9:30
2330 tomorrow morning when we will reconvene and continue
2331 consideration of H.J.Res. 1.

2332 [Whereupon, at 12:11 p.m., the committee recessed, to
2333 reconvene at 9:30 a.m., Friday, June 3, 2011.]