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4 MARKUP OF
5 H.J.RES. 1, PROPOSING A BALANCED BUDGET AMENDMENT TO
6 THE CONSTITUTION OF THE UNITED STATES
7 Friday, June 3, 2011
8 House of Representatives
9 Committee on the Judiciary
10 Washington, D.C.

11 The committee met, pursuant to call, at 9:30 a.m., in
12 Room 2141, Rayburn Office Building, Hon. Lamar Smith
13 [chairman of the committee] presiding.

14 Present: Representatives Smith, Sensenbrenner, Coble,
15 Gallegly, Goodlatte, Lungren, Chabot, Issa, Pence, Forbes,
16 King, Franks, Gohmert, Jordan, Poe, Chaffetz, Griffin,
17 Marino, Gowdy, Ross, Adams, Quayle, Conyers, Nadler, Scott,
18 Watt, Jackson Lee, Waters, Johnson, Quigley, Chu, and
19 Deutch.

20 Staff present: Sean McLaughlin, Chief of Staff;

21 Allison Halatei, Deputy Chief of Staff/Parliamentarian; Zach
22 Somers, Counsel; Sarah Kish, Clerk; Jennifer Lackey, Clerk;
23 Perry Apelbaum, Minority Staff Director; and David Lachmann,
24 Counsel.
25

26 Chairman Smith. [Presiding] The Judiciary Committee
27 will come to order.

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

30 And the clerk will call the role to establish a
31 quorum.

32 Ms. Kish. Mr. Smith?

33 Chairman Smith. Present.

34 Ms. Kish. Mr. Sensenbrenner?

35 Mr. Coble?

36 Mr. Gallegly?

37 Ms. Kish. Mr. Goodlatte?

38 Mr. Lungren?

39 Mr. Chabot?

40 Mr. Issa?

41 Mr. Forbes?

42 Mr. King?

43 Mr. Franks?

44 Mr. Gohmert?

45 Mr. Jordan?

46 Mr. Poe?

47 Mr. Chaffetz?

48 Mr. Griffin?

49 Mr. Marino?

50 Mr. Gowdy?

51 Mr. Gowdy. Here.
52 Ms. Kish. Mr. Ross?
53 Ms. Adams?
54 Ms. Adams. Here.
55 Ms. Kish. Mr. Quayle?
56 Mr. Conyers?
57 Mr. Conyers. Present.
58 Ms. Kish. Mr. Berman?
59 Mr. Nadler?
60 Ms. Kish. Mr. Scott?
61 Mr. Scott. Here.
62 Ms. Kish. Mr. Watt?
63 Ms. Lofgren?
64 Ms. Jackson Lee?
65 Ms. Waters?
66 Mr. Cohen?
67 Mr. Johnson?
68 Mr. Pierluisi?
69 Mr. Quigley?
70 Ms. Kish. Ms. Chu?
71 Mr. Deutch?
72 Ms. Sanchez?
73 Mr. King?
74 Mr. King. Here.
75 Ms. Kish. Mr. Franks?

76 Mr. Franks. Here.

77 Ms. Kish. Mr. Marino?

78 Mr. Marino. Here.

79 Ms. Kish. Mr. Ross?

80 Mr. Ross. Here.

81 Ms. Kish. Mr. Coble?

82 Mr. Coble. Here.

83 Ms. Kish. Mr. Poe?

84 Mr. Poe. Here.

85 Ms. Kish. Mr. Watt?

86 Mr. Watt. Here.

87 Ms. Kish. Mr. Griffin?

88 Mr. Griffin. Here.

89 Ms. Kish. Mr. Goodlatte?

90 Mr. Goodlatte. Here.

91 Chairman Smith. Are there any other members who wish

92 to record their presence?

93 [No response.]

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

95 The gentleman from Indiana?

96 Ms. Kish. Mr. Pence?

97 Mr. Pence. Here.

98 Chairman Smith. The gentleman from Illinois?

99 Present.

100 Ms. Kish. Mr. Quigley?

101 Mr. Quigley. Present.

102 Chairman Smith. The clerk will report.

103 Ms. Kish. Mr. Chairman, 16 members responded present.

104 Chairman Smith. A working quorum being present, we

105 may resume consideration of H.J.Res.1.

106 Yesterday we had just finished Mr. Gohmert's amendment
107 number 31.

108 We will now proceed to recognize individuals who have
109 amendments listed. Next up is Mr. Nadler. We will
110 recognize him when he is here.

111 The next person who is present who has an amendment
112 happens to be the gentleman from North Carolina, Mr. Watt.

113 Mr. Watt. Mr. Chairman, I have an amendment at the
114 desk.

115 Chairman Smith. The clerk will read the amendment.

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

117 Watt. Page" --

118 Chairman Smith. Without objection, the amendment will
119 be considered as read.

120 [The information follows:]

121

122 Chairman Smith. And the gentleman from North Carolina
123 is recognized to explain the amendment.

124 Mr. Watt. Mr. Chairman and members, I actually think
125 that the primary underlying principle of democracy that
126 people understand more than anything else -- ask 100 people.
127 101 of them will tell you that the single underlying
128 principle of democracy is majority rule.

129 I have an absolutely difficult, impossible time
130 explaining to my constituents why in the United States
131 Senate it takes 60 votes out of 100 to cut off debate or to
132 act in that body. Perhaps the United States Senate is the
133 only democratic institution in the world who believes in
134 something other than majority rule.

135 I think it is absolutely engrained in our democratic
136 system so much so that there are actually only five times in
137 the whole Constitution that something other than a majority
138 vote is required. It requires two-thirds to impeach a
139 Member of the Senate or actually the President of the United
140 States. It requires more than a majority to expel a Member
141 from the House or the Senate. It requires a super majority
142 of some kind to override a presidential veto. It requires
143 two-thirds of the Senate to ratify treaties, and of course,
144 it requires a super majority to pass a constitutional
145 amendment.

146 We all rail against the Senate of the United States

147 for not understanding the principle of majority rule. Yet,
148 this bill that we are considering today decides to enshrine
149 in the Constitution of the United States this totally
150 undemocratic principle of a super majority to do two things
151 really. To say that you can even raise additional revenue
152 -- to increase taxes would require a super majority.

153 What is the other provision that I am trying to knock
154 here? To raise the debt ceiling would require a two-thirds
155 majority -- well, a three-fifths majority, whatever the
156 requirement is. Whatever it is, I mean, it is more than a
157 majority.

158 And my feeling is that that is just simply
159 inconsistent with our whole democratic process. We go out
160 of our way every 10 years to count every citizen in the
161 United States and redistribute representation so that we
162 honor the principle of one person/one vote in this country.
163 And here we are in the Judiciary Committee in the United
164 States House of Representatives proposing to diminish the
165 value or enhance the value of one Member's vote over
166 another, something that I think is just absolutely
167 inconsistent with every democratic principle that my
168 constituents understand and that I think we understand.

169 So this amendment simply would knock out those super
170 majority provisions in this bill. I actually think this may
171 be the most unfair and the most undemocratic provision in

172 this bill, these requirements that somehow we give a radical
173 fringe the authority to block something or require a super
174 majority of Members of Congress to say that we can either
175 raise -- well, I guess it applies only to raising taxes. It
176 doesn't apply to lowering taxes. I don't even know how you
177 could reconcile that.

178 It requires a super majority for us under this bill to
179 continue to pay the debt that our Nation has incurred over
180 the years.

181 Well, I don't want to characterize it because you all
182 would take my words down. But I mean, it is just so
183 undemocratic, I am having trouble expressing the concept
184 here.

185 So I am just trying to get these most basic, unfair
186 provisions out of this bill. If you are going to do this,
187 at least do it based on our democratic principles that we
188 have enjoyed and endorsed in our country for years and years
189 and years and don't put us in a position where the Senate is
190 railing against us like we rail against them because they
191 can't get anything done. You are making it impossible for
192 the House or anybody to get anything done with this
193 provision in the bill.

194 With that, Mr. Chairman, my time has expired and I
195 yield back.

196 Chairman Smith. Thank you, Mr. Watt.

197 The gentleman from Virginia, Mr. Goodlatte, is
198 recognized.

199 Mr. Goodlatte. Thank you, Mr. Chairman. And I speak
200 in opposition to the amendment.

201 This amendment would do things. It would strike the
202 three-fifths vote required for legislation to increase tax
203 revenue and it would strike the requirement, three-fifths
204 majority requirement, to raise the debt limit.

205 First, with regard to the tax increase -- let me say
206 with regard to both of these, it may be undemocratic with a
207 capital D, but it is not undemocratic with a small D. This
208 is, indeed, the will of the people. If this were
209 incorporated in the Constitution, that would be what they
210 would want, and it is such a lengthy process to go through
211 that I think it is certainly reasonable for us to ask for
212 these things.

213 The provision regarding the limitation on tax
214 increases is an important feature of House Joint Resolution
215 1. The three-fifths requirement provides an additional
216 disincentive to raising taxes to balance the budget. We
217 don't have a revenue problem in Washington, D.C. We have a
218 spending problem. We need to balance the budget not by
219 raising taxes but by reducing spending and by being good
220 stewards of taxpayers' dollars. Not only would increasing
221 taxes hurt our economy, the fact of the matter is that we

222 cannot tax our way out to a balanced budget. In order to
223 pay for entitlement spending alone solely by raising taxes,
224 we would have to double the marginal tax rate for all income
225 brackets over the next 30 years. So I urge opposition to
226 the amendment for that reason.

227 And then with regard to the three-fifths majority to
228 raise the debt limit, the fact of the matter is if you are
229 balancing the budget, you don't need to raise the debt
230 limit. If you are not balancing the budget, you do. There
231 is a provision in this bill where under certain
232 circumstances you don't balance the budget in times of
233 national emergency, and if that requires a three-fifths
234 majority, then certainly you have got to have a
235 corresponding three-fifths majority to raise the debt limit
236 to do that. So that portion of this amendment eviscerates
237 the intent and purpose and effectiveness of this
238 constitutional amendment.

239 Mr. Conyers. Would the gentleman yield?

240 Mr. Goodlatte. I will yield in a moment.

241 It provides no real reform or no effective way to
242 curtail Congress' inability and unwillingness to discontinue
243 the long pattern of borrowing that we followed in recent
244 decades. Increasing the debt is a decision that Congress
245 should take seriously, and removing the three-fifths
246 majority requirement runs afoul of that notion. And the

247 three-fifths majority requirement creates an additional
248 deterrent effect to prevent Congress from spending more than
249 it takes it.

250 So I urge my colleagues to reject the amendment.

251 And I am happy to yield to the gentleman from
252 Michigan.

253 Mr. Conyers. Thank you, Mr. Goodlatte.

254 We are having some difficulty trying to raise the debt
255 ceiling with a simple majority right now. So I am a little
256 nervous about increasing the required number to raise the
257 debt ceiling.

258 Do you know how many times the debt ceiling has been
259 raised under both Democratic and Republican administrations?

260 Mr. Goodlatte. Reclaiming my time, that is the whole
261 point of a balanced amendment to the United States
262 Constitution. We have raised the debt limit too many times
263 under Democratic and Republican administrations, under
264 Democratic controlled Congresses and Republican controlled
265 Congresses, and the American people who support a balanced
266 budget amendment by overwhelming majorities want us to
267 impose a discipline on the administration and on the
268 legislative branch to not require that we are raising the
269 debt limit so often because they recognize we are spending
270 way beyond our means.

271 Mr. Conyers. Right. Could you yield one more time?

272 Mr. Goodlatte. I yield.

273 Mr. Conyers. Thank you, Mr. Goodlatte.

274 Do you realize the consequences to this Nation and the
275 financial systems in the world on our failure to raise the
276 debt ceiling?

277 Mr. Goodlatte. Reclaiming my time, I certainly do,
278 and I think every Member of the House on both sides of the
279 aisle recognizes the consequences of doing that.

280 But on our side of the aisle and I think on your side
281 of the aisle too, we also recognize the consequences of
282 spending this country's economy off a cliff by rapidly
283 expanding the size and scope of the Federal Government and
284 borrowing the money to fuel that repeatedly.

285 Mr. Watt. Will the gentleman yield?

286 Mr. Goodlatte. I will yield to the gentleman from
287 North Carolina.

288 Mr. Watt. I appreciate the gentleman yielding.

289 The question I want to pose to the gentleman is why
290 you think I should give one Member of our body more power
291 than another Member of our body in making that decision and
292 whether that isn't in and of itself just an undemocratic
293 principle. You know, regardless of what the issue is, this
294 is inconsistent with our whole democratic process.

295 Mr. Goodlatte. I couldn't agree with you less. This
296 is the democratic process right now, and if we adopt this in

297 the Congress and it is ratified by the State legislatures,
298 that is a reflection of the democratic process. If we
299 don't, we have other alternatives for a balanced budget
300 amendment.

301 Chairman Smith. The gentleman from Virginia is
302 yielded an additional 1 minute without objection.

303 Mr. Watt. Will the gentleman yield?

304 Mr. Goodlatte. I yield to the gentleman from North
305 Carolina.

306 Mr. Watt. But why would I want to give you or any
307 Member of Congress -- why would my constituents want one
308 Member of Congress or some Members of Congress to have
309 more --

310 Mr. Goodlatte. Reclaiming my time, we don't do that.
311 We don't do that. You are assuming that your constituents
312 want you to take a specific point of view with regard to
313 raising taxes --

314 Mr. Watt. Whatever position they want me to take,
315 they want me to do it in a democratic, equal way. That is
316 the point I am making to you. Regardless of what positions
317 I take, they don't want you to have more authority in the
318 decision-making process --

319 Mr. Goodlatte. I don't have more authority. I don't
320 have more authority. Whoever takes the position that we
321 need to raise taxes in order to balance the budget would

322 have to gather more support in order to do that.

323 Mr. Watt. That is the exact point I am making to you,
324 Mr. Goodlatte.

325 Mr. Goodlatte. Right.

326 Mr. Watt. Why would my constituents want to unbalance
327 the balance that is engrained in the whole concept of
328 democracy?

329 Mr. Goodlatte. It is the democratic process to work
330 through the constitutional requirements to amend the
331 Constitution, and that is exactly what we are doing here
332 today.

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

334 Are there other members who wish to be recognized?
335 The gentleman from New York, Mr. Nadler.

336 Mr. Nadler. Thank you.

337 I think the real issue here -- and I hope Mr.
338 Goodlatte listens because it is basically a comment on what
339 he said. This is a profoundly anti-democratic amendment
340 with a small D, not a large D, because even assuming the
341 truth of everything -- or the accuracy, I should say, of
342 everything Mr. Goodlatte said, which I don't agree with,
343 even assuming that people are demanding that we balance
344 budget without tax increases, even if tax increases were the
345 worst thing in the world, even if, in fact, the economy
346 demands that we cut the budget only by spending, even if, in

347 fact, we have a spending not a low taxes problem, which I
348 don't agree with, let's assume all that is true. It is true
349 now. Maybe it would true in 50 years or 100 years and maybe
350 not.

351 What is anti-democratic about this amendment is that
352 we are structuring the system in such a way as to bias it in
353 favor of one view not for the moment when that view may be
354 valid but for 50 years and 100 years and 200 years from now.
355 That is where the Constitution is. And the Constitution
356 ought to set up the process and the structure but not the
357 view. The Constitution ought to be biased in favor of the
358 people through their representatives making decisions, not
359 in favor of a particular decision or a particular economic
360 point of view.

361 Now, we may or may not agree on what our current
362 economic problem is, but whoever is right, who knows what
363 the economic problem is going to be 50 years from now? And
364 after the 50 years from now, the situation is different.
365 Let's say the situation 50 years from now is that Congress
366 hasn't raised taxes at all and the taxes are too low and we
367 have trillionaires running around paying no taxes, and we
368 are not spending enough. Who knows what the situation is?
369 And maybe a lot of people agree on that 50 years from now,
370 but you are setting up a situation where 60 percent have to
371 agree, and not only 60 percent, but 60 percent in the

372 Senate, which may, in fact, represent 80 percent of the
373 country. That is what is anti-democratic.

374 It is enshrining a particular economic view, which may
375 or may not be correct -- I don't think it is correct -- not
376 into law which can be repealed or modified by a majority at
377 any point, but in the Constitution, a Constitution that is
378 designed to be very hard to alter. And the Constitution
379 ought to set up the process. It ought not to set up the
380 outcome. And what is really wrong with this is we are
381 setting up -- and not only by saying we must have a balanced
382 budget, but setting up the balanced budget must be balanced
383 basically by spending cuts, not by tax increases. Maybe
384 that is economically correct now. I don't agree but maybe
385 it is. But who are we to say to bind our grandchildren to
386 that view?

387 In the Lockner case in 1905, Oliver Wendell Holmes
388 disagreed with that decision, striking down I think it was
389 minimum wage laws in New York State on the grounds of
390 freedom of contract by saying the Fourteenth Amendment does
391 not enact Mr. Herbert Spencer's social status, by which he
392 meant the Constitution does not enact a particular economic
393 view.

394 And again, regardless of the validity or invalidity of
395 the economic view you have espoused, which we can debate on
396 the campaign trail, as well as here and on the floor when we

397 debate budgets and stuff, that view or any view should not
398 be enshrined in the Constitution to make it necessary for a
399 super majority to change that or to adapt to whatever the
400 circumstances may be 50 and 100 years from now. That is why
401 this is undemocratic.

402 It is undemocratic not in the means by which we are
403 amending the Constitution. That is democratic and that is
404 what you were addressing, but it undemocratic in the end
405 because it sets up a process on which economic and other
406 decisions cannot be made by a majority vote but because you
407 favor a particular view and that view will have the strength
408 of the Constitution behind it and it will be almost
409 impossible -- very difficult to almost impossible for a
410 majority to change. That is the problem with this.

411 And that is why it is undemocratic and that is what is
412 wrong with this entire approach, but especially when you get
413 to things like raising the debt limit, which may be a
414 terrible idea now because we have raised it too much, but it
415 may be a great idea 50 years from now because you haven't
416 raised it at all in 50 years. Who knows? The majorities
417 ought to make those decisions, and to set up that minorities
418 can block the decisions is to empower minorities with a
419 particular view, a particular view that the Constitution
420 ought not to empower particular views. That is profoundly
421 undemocratic.

422 I yield back.

423 Chairman Smith. Thank you, Mr. Nadler.

424 Mr. Nadler. Can I take my yielding back back so I can
425 yield to somebody?

426 Chairman Smith. How much time did he have remaining?
427 You have 1 minute remaining, Mr. Nadler, and you can
428 yield --

429 Mr. Watt. I actually just wanted to ask a question.
430 I think I know the answer.

431 The requirement that we raise the debt ceiling is
432 actually a statutory requirement as I understand it, not a
433 constitutional requirement. We wrote that into statute.

434 Mr. Nadler. Yes.

435 Mr. Watt. So wouldn't the effect of this be to
436 enshrine that in the Constitution? So you are taking a
437 statutory provision and enshrining it into the Constitution
438 for the first time because for years there wasn't any
439 requirement that there even be a vote to raise the --

440 Mr. Nadler. Reclaiming my time, actually all this
441 says is the limit on the debt of the United States held by
442 the public shall not be increased except by a three-fifths
443 vote. As far as I read this, if the Congress should decide
444 in some future year to repeal the provision establishing a
445 debt limit at all, this wouldn't stop them from doing so by
446 a majority vote. It simply says it can't be increased. It

447 could be eliminated.

448 Mr. Watt. Well, anyway, the point I am making --

449 Mr. Nadler. I hope I didn't just them a good idea.

450 Mr. Watt. -- is there are some things that we want to
451 be enshrining in the Constitution.

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

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

454 Mr. Franks. Mr. Chairman, I move to strike the last
455 word.

456 Mr. Chairman, I think there are two points I would
457 like to make regarding what I consider a couple of
458 bewildering arguments from my friends on the other side.

459 First of all is that somehow that this is a precedent
460 because it sets some super majority favoring a particular
461 view. The fact is that is not a precedent. The
462 Constitution does that in several instances. If we want to
463 impeach a President, it takes a super majority because the
464 Founders took the view that that was a serious step and it
465 was fraught with potential danger of misuse. If we want to
466 override the President, we have to have a super majority.
467 We have all kinds of super majorities throughout this
468 process. So to suggest that somehow that this is a
469 precedent is surreal.

470 Secondly, this notion that this gives one Member of
471 the body more power than the other is beyond my

472 understanding. Every Member of this body, if this is
473 adopted, would have exactly the same power to vote for or
474 against raising the debt limit. It would have equal power.
475 Now, the fact that those that might vote against doing that
476 might have an advantage for a view, we have already
477 established that that is not a precedent. So the idea that
478 this is undemocratic is just ridiculous.

479 And I would just suggest to you --

480 Mr. Nadler. Would the gentleman yield?

481 Mr. Franks. I will in a moment.

482 Suggest to you that this notion that we are a pure
483 democracy is also a little bit outside of the historical
484 context. And I think that the old saying that pure
485 democracy is just two wolves and a sheep arguing over what
486 is for dinner is probably a good analysis. We have a basic
487 constitutional republic here that recognizes certain
488 viewpoints, in order to enact them or discard them, should
489 indeed have to have a super majority. That is not new.
490 That is part of America, and the idea that this somehow
491 disenfranchises one Member of Congress as opposed to the
492 other is mathematical fiction.

493 So with that, I yield to the gentleman.

494 Mr. Nadler. Thank you.

495 I would point out to the gentleman that the instances
496 he cites of super majorities of the Congress to impeach the

497 President, to ratify a treaty -- he didn't cite that but
498 that is the other obvious one -- are structural, as I said
499 before. They are part of the structure of Government. They
500 do not bias a decision on a question of public policy. It
501 is not a public policy --

502 Mr. Franks. Reclaiming my time, there is probably
503 nothing more foundational to the structure of Government
504 than our ability to spend ourselves into oblivion or a lack
505 of existence. And the fact is that it takes a super
506 majority to change the Constitution. So the idea that that
507 is somehow outside the norm here again is just a bewildering
508 argument.

509 And with that, Mr. Chairman, I yield back.

510 Mr. Conyers. Mr. Chairman?

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

512 And the gentleman from Michigan is recognized.

513 Mr. Conyers. Thank you very much.

514 This is a very interesting provision. Section 5 of
515 the bill consists of one sentence. That sentence is: A
516 bill to increase revenue shall not become law unless three-
517 fifths of each house shall provide by law for such an
518 increase by a roll-call vote.

519 Now, we have never had a debt ceiling before World War
520 I, the first time that it was employed. I would like to
521 bring to my colleagues' attention that the debt ceiling has

522 been used repeatedly since then. And what does it reflect?
523 It reflects the fact that the appropriation voted about by a
524 Congress has exceeded our capacity to repay, and to ensure
525 the bondholders and the investors in U.S. securities that it
526 will be repaid, we raise the debt ceiling to accomplish that
527 reality.

528 Now, for everyone that is anxious not to exceed the
529 debt limit anymore, then stop voting for the appropriations
530 bills that necessitate us to raise the debt ceiling. So it
531 is very important that we get this together.

532 Now, with the distinguished gentleman from Virginia's
533 yielding to me, he said the consequences are known to
534 everybody in this committee. Well, let's see how much you
535 know what the consequences really are because the Secretary
536 of the Treasury says in today's paper that if we do not
537 raise the debt limit between now and the end of the month,
538 which the Speaker of the House has set as the deadline,
539 guess what. We will go out of business.

540 Now, is there anybody that understands that or doesn't
541 understand that? The Secretary of the Treasury is saying
542 that this would be a devastating event if we don't raise the
543 debt ceiling which now requires a simple majority.

544 Now, to the argument that it doesn't matter how many
545 times we have raised the debt ceiling or which party was in
546 control when it was raised doesn't escape the realization

547 that in real time we have no other alternative but to raise
548 the debt ceiling if our appropriations and our ability to
549 repay our indebtedness is not exercised by raising the debt
550 ceiling.

551 So what we get down to is this. We don't need the
552 debt ceiling. If you just want to vote whatever
553 appropriations that have been voted since World War I and
554 let it go at that, which is what most countries do anyway,
555 then that is okay. But if we have a debt ceiling, then we
556 do have to accommodate that reality, and that is what we are
557 doing.

558 Now, I am soon going to find out who it was that
559 invented the idea that now that we have a debt ceiling, we
560 ought to put it in the Constitution too. We go from 1776 to
561 the First World War without a debt ceiling. Then we have a
562 debt ceiling from World War I till now, and now in this
563 Congress in this committee, we are saying let's put it in
564 the Constitution on top of it and make it more than a simple
565 majority vote.

566 And I thank the chairman for yielding me the time.

567 Chairman Smith. Thank you, Mr. Conyers.

568 Are there other members who wish to be recognized?

569 The gentleman from California, Mr. Lungren?

570 Mr. Lungren. Mr. Chairman, I ask to strike the
571 requisite number of words and support the --

572 Chairman Smith. The gentleman is recognized for 5
573 minutes.

574 Mr. Lungren. I oppose the gentleman's amendment.

575 First of all, I just have to say for anyone to utilize
576 the Secretary of the Treasury as the authority for the
577 proposition that one ought to pay their taxes is certainly
578 strange at best.

579 Secondly, the gentleman asked about what the
580 consequences are. Well, we heard what some of the
581 consequences are if we continue what we are doing. News
582 flash: The unemployment rate is now 9.1 percent. We
583 created an anemic 54,000 new jobs last month. The
584 administration had been projecting that we would produce
585 180,000 or 190,000 last month. I know in my district we are
586 hurting. I know that jobs are not being created, and I know
587 that this administration promised with spending on the part
588 of the Federal Government we would not have anywhere near
589 this kind of unemployment rate. We have tried that for the
590 last 18 months.

591 There is a fundamental difference between our two
592 sides here. I mean, the gentlemen on the other side are
593 correct as they have stated. We have a bias against raising
594 taxes. There is no doubt about it. You can call it a
595 preference. You can call it a bias. I don't know what you
596 want to call it, but yes, we do because fundamentally there

597 is a difference, we believe, between Government giving
598 somebody money and Government mandating involuntarily taking
599 property from an individual. That is why it is such an
600 important thing. That is why we think there ought to be a
601 super majority. When Government uses its authority to take
602 your property away, which is what taxes are, and to be able
603 to enforce that by way of fining you or putting you in jail,
604 that is an exercise of power that is literally second only
605 to the power of a government to take your life away. And
606 our Founding Fathers recognized that.

607 Even though it is practice in the breach rather than
608 actually following the law, the Constitution is set up so
609 that revenue-raising functions are supposed to be here in
610 the House of Representatives. We know what has happened.
611 We send a tax bill over to the Senate. They keep the title.
612 They strip everything out and they send us back a new one.
613 Now, that is not the spirit of the law. I would even argue
614 sometimes it is not the letter of the law.

615 Why did the Founding Fathers put a preference for the
616 House of Representatives to do that rather than the Senate?
617 Because they understood that the power to tax is the power
618 to destroy. It is the power, yes, to allow government to do
619 good, but they wanted some constraints on it. And when we
620 have figures now that suggest that 40-41 percent of the
621 American people pay zero in income tax -- well, it all

622 depends on the figures you see. It is either 41 or 51. I
623 am trying to be as moderate as possible in this argument.
624 41 percent of the folks don't pay income tax. There is a
625 great incentive to raise income tax if you are not going pay
626 it. Tax the other guy. Tax the other person.

627 So what we are trying to say is that we believe there
628 is an essential difference between Government spending
629 money, giving money, giving programs to people, and
630 Government taking money from you. I realize that is in some
631 ways an old-fashioned idea. It is an idea that the Founding
632 Fathers would have understood. Well, they wouldn't have
633 understood income tax very well. I think that required a
634 constitutional amendment, as far as I could tell, because we
635 do amend the Constitution for purposes.

636 Mr. Goodlatte. Will the gentleman yield?

637 Mr. Lungren. Yes. I would be happy to yield to the
638 gentleman from Virginia.

639 Mr. Goodlatte. I thank the gentleman for yielding on
640 that point because that constitutional amendment required a
641 two-thirds majority of the House and a two-thirds majority
642 of the Senate and three-quarters of the State legislatures
643 to ratify it. And the people have seen the consequences of
644 that amendment in the Constitution, and they simply want to
645 restore some of their protection against that taxation by
646 requiring a super majority to raise taxes.

647 Mr. Lungren. I will just say this. If the other side
648 of the aisle, including the distinguished ranking member,
649 are accusing us here on the record of having a bias against
650 raising taxes, I plead guilty.

651 Mr. Conyers. Would the gentleman yield?

652 Mr. Lungren. And if you are asking whether we want to
653 put constitutional protections against the easy exercise of
654 levying additional taxes on the people we represent, I plead
655 guilty. And if you believe that we think that the way to
656 get out of this mess that we are in that leads us to rates
657 of unemployment on a continual basis that we haven't seen
658 since the Great Depression, yes, we plead guilty to that.
659 We think you have to do something new.

660 So if you want to call it radical, if you want to call
661 it change, if you want to call it something different --

662 Mr. Conyers. Would the member yield?

663 Mr. Lungren. Yes, I will, but I just want to tell you
664 we plead guilty. So you don't have to keep telling us. We
665 are against raising taxes. I understand you want to make it
666 easier.

667 Chairman Smith. The gentleman from California is
668 recognized for an additional minute.

669 Mr. Lungren. I would be happy to yield to my friend
670 from Michigan who has made it very clear there is a
671 difference between the two parties.

672 Mr. Conyers. I want to emphasize that some more. If
673 you are so against raising taxes, why are you not joining
674 with those tax raisers that you have identified with closing
675 the gas and oil loopholes in the tax code?

676 Mr. Lungren. If the gentleman will allow me to
677 reclaim my time, I do support us taking a look at all of the
678 preferences which are in the tax code, excluding none from
679 consideration.

680 At this point in time, I do not believe it makes a
681 great deal of sense for us to be creating incentives for the
682 production of oil and gas outside the United States. Before
683 I would take away what is currently the law with respect to
684 our domestic producers, I would ask the President why he
685 went down to Brazil and asked them to please start producing
686 offshore so that we could buy foreign oil in the United
687 States. It seems to me that we ought to be creating at
688 least incentives to have domestic production rather than
689 foreign production.

690 But if the gentleman is asking me do I support us
691 looking at all preferences, broadening the tax base,
692 eliminating many of these preferences that are out there,
693 dropping the overall corporate rate, dropping the highest
694 rates, marginal rates for individual taxpayers, yes, I do
695 because again there is a difference between the two of us.
696 We don't think that the problem is lack of taxes. We think

697 the problem is too much spending.

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

699 The gentleman from Georgia, Mr. Johnson, is
700 recognized.

701 Mr. Johnson. Thank you, Mr. Chairman.

702 I ask to move to strike the last word.

703 Chairman Smith. The gentleman is recognized for 5
704 minutes.

705 Mr. Johnson. Thank you. I rise in support of the
706 amendment under discussion.

707 I would like to challenge anyone in this room to
708 disagree with the notion that we have got a lot of special
709 interest tax breaks in the Internal Revenue Code. And I
710 hear of no --

711 Mr. Goodlatte. Would the gentleman yield?

712 Mr. Johnson. Yes.

713 Mr. Goodlatte. The gentleman has expressed a concern
714 that I have too. He may want to join me in the legislation
715 that I introduced which scraps the entire Federal income tax
716 code and sets a date certain to sunset it so that we can
717 vote on an entirely new tax code.

718 Mr. Johnson. Reclaiming my time.

719 Mr. Watt. Can we vote on that by a 60 percent
720 majority or do we need --

721 Chairman Smith. The gentleman from Georgia has the

722 time.

723 Mr. Johnson. Isn't it true that under the balanced
724 budget amendment a super three-fifths majority is needed to
725 raise revenue and only a simple majority vote is needed to
726 write new special interest tax breaks into the Internal
727 Revenue Code? Isn't that true?

728 Mr. Goodlatte. I think it would have to be revenue-
729 neutral in order for it to work like that.

730 Mr. Johnson. Are you disagreeing with the fact that
731 you don't need a simple majority in order to write a new --

732 Mr. Goodlatte. Yes, if it is not revenue-neutral.
733 Yes, that is right if it is not revenue-neutral.

734 Well you don't need a super majority --

735 Mr. Johnson. I want to yield to Mr. Scott.

736 Mr. Scott. If you have repealed the tax code and
737 that's law, then turn around the next day to put it back
738 into effect, you need 60 percent because the next bill you
739 are raising revenue.

740 Mr. Conyers. Would the gentleman yield to me when Mr.
741 Scott is finished?

742 Mr. Johnson. Is Mr. Goodlatte agreeing with Mr.
743 Scott?

744 Mr. Conyers. Would the gentleman yield?

745 Mr. Johnson. I yield to Mr. Conyers.

746 Mr. Conyers. I am sure glad this distinction is being

747 made by the gentleman from California that there are two
748 different views on this committee because the, first, under
749 H.J.Res. 1 to close -- to create a tax loophole requires a
750 simple majority. Under the bill that you are supporting and
751 from which we have great disagreement, to close that same
752 loophole requires a simple majority. Now, is there anybody
753 in the committee that doesn't understand that?

754 And since you all understand and agree on that, that
755 is the difference between supporting --

756 Mr. Lungren. Will the gentleman yield?

757 Mr. Johnson. I will reclaim my time. I will again
758 emphasize that a super three-fifths majority is needed to
759 raise revenue while only a simple majority vote is needed to
760 write new special interest tax breaks for the oil and gas
761 industry and others into the Internal Revenue Code.

762 Mr. Nadler. Will the gentleman yield? Will the
763 gentleman yield for a second?

764 Mr. Johnson. I will.

765 Mr. Nadler. So, in other words, what you are saying,
766 Mr. Johnson, is that the amendment sets up a one-way
767 ratchet. You can pass a special interest tax loophole for
768 the oil companies or somebody by a majority vote, but if you
769 change your mind or if you overshoot the mark, it reduces
770 revenues by more than you thought it would, it takes a
771 three-fifths vote to undo what you did. It's a one-way

772 procedure.

773 Mr. Johnson. Reclaiming my time, that is exactly
774 right.

775 I will yield to Mr. Lungren.

776 Mr. Lungren. Well, just two points. Yes, it would
777 take a super majority to take money away from people.

778 Mr. Johnson. Reclaiming my time --

779 Mr. Lungren. A simple majority to give money back.

780 Mr. Johnson. Reclaiming my time --

781 Mr. Lungren. Well, I was going to try and answer.

782 Mr. Johnson. Reclaiming my time. So this balanced
783 budget amendment writes into the Constitution a virtual
784 prohibition against using a combination of cuts and
785 increased revenues to bring our budget into balance. Is
786 that correct?

787 Mr. Goodlatte. No, it is not as long as it is
788 revenue-neutral.

789 Mr. Conyers. What does that mean?

790 Mr. Goodlatte. That means if you had a series of
791 cuts --

792 Mr. Johnson. Reclaiming my time. If you need to
793 raise revenue to balance the budget, you are severely
794 limited in terms of balancing the budget by this balanced
795 budget amendment. You would have to cut. You can cut
796 incessantly, but you cannot raise revenue.

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

798 We have a vote on the House floor. There has been
799 ample debate on this amendment. The question is on the
800 amendment. Those in favor, say aye.

801 Mr. Watt. Mr. Chairman?

802 [Chorus of ayes.]

803 Chairman Smith. Opposed, no.

804 [Chorus of nays.]

805 Mr. Watt. Mr. Chairman?

806 Chairman Smith. In the opinion of the chair, the noes
807 have it and the amendment is not agreed to.

808 Mr. Watt. Are you cutting off debate, Mr. Chairman?
809 Is that what you are doing?

810 Chairman Smith. I didn't see anybody whose hand was
811 in the air to be recognized.

812 And the clerk will call the roll.

813 Mr. Watt. Mr. Scott has been trying to get
814 recognition.

815 Chairman Smith. I am sorry. It is too late. I am
816 sorry. It is too late for that.

817 The clerk will call the roll.

818 Ms. Kish. Mr. Smith?

819 Chairman Smith. No.

820 Mr. Watt. Well, you at least could have the courtesy
821 of calling the question so that we could -- I mean, the

822 chairman -- you have just decided you don't like what you
823 are hearing this morning, so you are cutting off debate.

824 Chairman Smith. The clerk will call the roll. I did
825 call the question.

826 Ms. Kish. Mr. Smith votes no.

827 Mr. Sensenbrenner?

828 [No response.]

829 Ms. Kish. Mr. Coble?

830 [No response.]

831 Ms. Kish. Mr. Gallegly?

832 [No response.]

833 Ms. Kish. Mr. Goodlatte?

834 Mr. Goodlatte. No.

835 Ms. Kish. Mr. Goodlatte votes no.

836 Mr. Lungren?

837 Mr. Lungren. No.

838 Ms. Kish. Mr. Lungren votes no.

839 Mr. Chabot?

840 Mr. Chabot. No.

841 Ms. Kish. Mr. Chabot votes no.

842 Mr. Issa?

843 [No response.]

844 Ms. Kish. Mr. Pence?

845 Mr. Pence. No.

846 Ms. Kish. Mr. Pence votes no.

847 Mr. Forbes. No.
848 Ms. Kish. Mr. Forbes votes no.
849 Mr. King?
850 Mr. King. No.
851 Ms. Kish. Mr. King votes no.
852 Mr. Franks?
853 Mr. Franks. No.
854 Ms. Kish. Mr. Franks votes no.
855 Mr. Gohmert?
856 [No response.]
857 Ms. Kish. Mr. Jordan?
858 [No response.]
859 Ms. Kish. Mr. Poe?
860 Mr. Poe. No.
861 Ms. Kish. Mr. Poe votes no.
862 Mr. Chaffetz?
863 Mr. Chaffetz. No.
864 Ms. Kish. Mr. Chaffetz votes no.
865 Mr. Griffin?
866 Mr. Griffin. No.
867 Ms. Kish. Mr. Griffin votes no.
868 Mr. Marino?
869 Mr. Marino. No.
870 Ms. Kish. Mr. Marino votes no.
871 Mr. Gowdy?

872 Mr. Gowdy. No.

873 Ms. Kish. Mr. Gowdy votes no.

874 Mr. Ross?

875 Mr. Ross. No.

876 Ms. Kish. Mr. Ross votes no.

877 Ms. Adams?

878 Ms. Adams. No.

879 Ms. Kish. Ms. Adams votes no.

880 Mr. Quayle?

881 Mr. Quayle. No.

882 Ms. Kish. Mr. Quayle votes no.

883 Mr. Conyers?

884 Mr. Conyers. Aye.

885 Ms. Kish. Mr. Conyers votes aye.

886 Mr. Berman?

887 [No response.]

888 Ms. Kish. Mr. Nadler?

889 Mr. Nadler. Aye.

890 Ms. Kish. Mr. Nadler votes aye.

891 Mr. Scott?

892 Mr. Scott. Aye.

893 Ms. Kish. Mr. Scott votes aye.

894 Mr. Watt?

895 Mr. Watt. Aye.

896 Ms. Kish. Mr. Watt votes aye.

897 Ms. Lofgren?
898 [No response.]
899 Ms. Kish. Ms. Jackson Lee?
900 [No response.]
901 Ms. Kish. Ms. Waters?
902 [No response.]
903 Ms. Kish. Mr. Cohen?
904 [No response.]
905 Ms. Kish. Mr. Johnson?
906 Mr. Johnson. No. I vote yes. I am sorry.
907 Ms. Kish. Mr. Johnson votes aye.
908 Mr. Pierluisi?
909 [No response.]
910 Ms. Kish. Mr. Quigley?
911 [No response.]
912 Ms. Kish. Ms. Chu?
913 Ms. Chu. Aye.
914 Ms. Kish. Ms. Chu votes aye.
915 Mr. Deutch?
916 Mr. Deutch. Aye.
917 Ms. Kish. Mr. Deutch votes aye.
918 Ms. Sanchez?
919 [No response.]
920 Chairman Smith. The gentleman from Pennsylvania. Has
921 he voted? You voted? Okay.

922 The clerk will report.

923 Ms. Kish. Mr. Gohmert?

924 Mr. Gohmert. No.

925 Ms. Kish. Mr. Gohmert votes no.

926 Mr. Chairman, 7 members voted aye; 17 members voted
927 nay.

928 Chairman Smith. The majority having voted against the
929 amendment, the amendment is not agreed to.

930 The Judiciary Committee will stand in recess until
931 after the single vote on the House floor, after which we
932 will resume the markup.

933 [Recess.]

934 Chairman Smith. The Judiciary committee will come to
935 order.

936 A working quorum being present, we will resume our
937 consideration of amendments to H.J.Res. 1.

938 And the gentleman from New York, Mr. Nadler, is
939 recognized to offer an amendment.

940 Mr. Nadler. Mr. Chairman, I have amendment number --
941 it is either number 6 or 388 or both at the desk.

942 Chairman Smith. The clerk will report the amendment.

943 Ms. Kish. "Amendment to H.J.Res. 1 offered by Mr.
944 Nadler. Page 3, line 8" --

945 Chairman Smith. Without objection, the amendment is
946 considered as read.

947 [The information follows:]

948

949 Chairman Smith. And the gentleman is recognized.

950 Mr. Nadler. Thank you, Mr. Speaker. Mr. Speaker.

951 Excuse me. Mr. Chairman.

952 This amendment removes the super majority voting
953 requirement for repeal or reduction of any tax exemption,
954 deduction, or credit for producers of crude oil or natural
955 gas -- for large producers of crude oil or natural gas.

956 It deals with a very specific problem. Under the
957 bill, any special interest tax break can be enacted with a
958 simple majority vote. The vote may not even be held in
959 public. It could be slipped into a bill. But to undo it,
960 because it would involve an increase in revenue, would
961 require a three-fifths vote. This makes no sense.

962 We have debated the wisdom of the special tax breaks
963 enjoyed by the oil and gas producers. At a time when my
964 Republican friends want to end Medicare, decimate Medicaid,
965 and slash services to veterans and to our children, it
966 should at least be possible to have a debate on these
967 special tax privileges for one of the most profitable
968 industries on the planet. Oil and gas companies never have
969 a bad day except when they destroy the Alaskan coast or the
970 Gulf of Mexico. But even then, they remain wildly
971 profitable. They can probably afford to pay their fair
972 share of taxes.

973 Just to reassure my colleagues from the oil patch,

974 this amendment affects only the large operators, those with
975 annual gross receipts in excess of \$10 billion, with a B.
976 It will not touch the wildcatters or the small- or medium-
977 sized companies. This amendment deals strictly with the
978 Exxons and the BPs of the world. It would not even take
979 away their tax benefits. All it would do would be to allow
980 a simple straight up or down majority vote on these very
981 controversial tax goodies. It would the same vote we would
982 take to end Medicare or any other Republican initiative.

983 This seems to me a fair and reasonable amendment. It
984 doesn't determine the outcome. It merely allows a normal
985 majority vote to go forward and let the majority decide with
986 respect to special tax breaks and special loopholes for
987 large oil and tax companies -- oil and gas companies. They
988 might as well be tax companies. Large oil and gas companies
989 with revenues in excess of \$10 billion a year.

990 I don't think I have to explain the rationale much
991 further. It is undemocratic, as we discussed on the Watt
992 amendment -- with a small D -- to try to bias the outcome
993 even if we think -- I mean, Mr. Lungren said before that,
994 yes, he pleaded guilty to be bias in opposition to tax
995 increases. Fine, that is his privilege. But the
996 Constitution should not be biased for or against any
997 particular economic doctrine but only in terms of process.
998 But if we are going to bias it against not only tax

999 increases but against eliminating tax loopholes, at least we
1000 ought to make an exception for large, more than \$10 billion
1001 gross revenue oil and gas companies. We should not write
1002 into the Constitution the corruption and favoritism that we
1003 often find in the tax code, frankly.

1004 I yield back.

1005 Chairman Smith. Thank you, Mr. Nadler.

1006 The gentleman from Virginia, Mr. Goodlatte, is
1007 recognized.

1008 Mr. Goodlatte. Thank you, Mr. Chairman. I speak in
1009 opposition to this amendment.

1010 This amendment would remove the super majority voting
1011 requirement for repeal or reduction of any tax exemption,
1012 deduction, or credit for producers of crude oil or natural
1013 gas. I don't know why it wouldn't be ethanol or wind
1014 turbines or whatever, and I don't know why the shareholders
1015 of companies that produce crude oil or natural gas, many of
1016 which are the pension plans of labor unions, the 401(k)
1017 plans of average Americans -- why they would be treated
1018 differently in the United States Constitution than other
1019 such provisions.

1020 A three-fifths majority is essential to ensure that
1021 Congress does not abuse its power to deviate from the new
1022 norm of a balanced budget by relying on tax increases. Tax
1023 increases can depress economic activity, which could hurt

1024 deficit reduction efforts. Adding this language will simply
1025 provide Congress with an easy way out when forced to make
1026 difficult decisions, and picking winners and losers in the
1027 commercial setting should be avoided in the constitutional
1028 amendment process.

1029 The amendment defeats the purpose and intent of the
1030 legislative language, and I would urge my colleagues to
1031 oppose the amendment.

1032 Chairman Smith. Thank you, Mr. Goodlatte.

1033 Are there other members who wish to be recognized?

1034 [No response.]

1035 Chairman Smith. If not, the question is on the
1036 amendment. Those in favor, say aye.

1037 [Chorus of ayes.]

1038 Chairman Smith. Opposed, no.

1039 [Chorus of nays.]

1040 Chairman Smith. In the opinion of the chair, the noes
1041 have it and the amendment is not agreed to.

1042 Mr. Nadler. Let me ask for a roll call vote on that,
1043 please.

1044 Chairman Smith. A roll call vote has been requested.

1045 The clerk will call the roll.

1046 Ms. Kish. Mr. Smith?

1047 Chairman Smith. No.

1048 Ms. Kish. Mr. Smith votes no.

1049 Mr. Sensenbrenner?
1050 [No response.]
1051 Ms. Kish. Mr. Coble?
1052 [No response.]
1053 Ms. Kish. Mr. Gallegly?
1054 [No response.]
1055 Ms. Kish. Mr. Goodlatte?
1056 Mr. Goodlatte. No.
1057 Ms. Kish. Mr. Goodlatte votes no.
1058 Mr. Lungren?
1059 [No response.]
1060 Ms. Kish. Mr. Chabot?
1061 [No response.]
1062 Ms. Kish. Mr. Issa?
1063 [No response.]
1064 Ms. Kish. Mr. Pence?
1065 [No response.]
1066 Ms. Kish. Mr. Forbes?
1067 Mr. Forbes. No.
1068 Ms. Kish. Mr. Forbes votes no.
1069 Mr. King?
1070 [No response.]
1071 Ms. Kish. Mr. Franks?
1072 Mr. Franks. No.
1073 Ms. Kish. Mr. Franks votes no.

1074 Mr. Gohmert?
1075 [No response.]
1076 Ms. Kish. Mr. Jordan?
1077 Mr. Jordan. No.
1078 Ms. Kish. Mr. Jordan votes no.
1079 Mr. Poe?
1080 [No response.]
1081 Ms. Kish. Mr. Chaffetz?
1082 Mr. Chaffetz. No.
1083 Ms. Kish. Mr. Chaffetz votes no.
1084 Mr. Griffin?
1085 [No response.]
1086 Ms. Kish. Mr. Marino?
1087 Mr. Marino. No.
1088 Ms. Kish. Mr. Marino votes no.
1089 Mr. Gowdy?
1090 Mr. Gowdy. No.
1091 Ms. Kish. Mr. Gowdy votes no.
1092 Mr. Ross?
1093 [No response.]
1094 Ms. Kish. Ms. Adams?
1095 Ms. Adams. No.
1096 Ms. Kish. Ms. Adams votes no.
1097 Mr. Quayle?
1098 Mr. Quayle. No.

1099 Ms. Kish. Mr. Quayle votes no.
1100 Mr. Conyers?
1101 Mr. Conyers. Aye.
1102 Ms. Kish. Mr. Conyers votes aye.
1103 Mr. Berman?
1104 [No response.]
1105 Ms. Kish. Mr. Nadler?
1106 Mr. Nadler. Aye.
1107 Ms. Kish. Mr. Nadler votes aye.
1108 Mr. Scott?
1109 Mr. Scott. Aye.
1110 Ms. Kish. Mr. Scott votes aye.
1111 Mr. Watt?
1112 [No response.]
1113 Ms. Kish. Ms. Lofgren?
1114 [No response.]
1115 Ms. Kish. Ms. Jackson Lee?
1116 Ms. Jackson Lee. Aye.
1117 Ms. Kish. Ms. Jackson Lee votes aye.
1118 Ms. Waters?
1119 [No response.]
1120 Ms. Kish. Mr. Cohen?
1121 [No response.]
1122 Ms. Kish. Mr. Johnson?
1123 [No response.]

1124 Ms. Kish. Mr. Pierluisi?
1125 [No response.]
1126 Ms. Kish. Mr. Quigley?
1127 [No response.]
1128 Ms. Kish. Ms. Chu?
1129 Ms. Chu. Aye.
1130 Ms. Kish. Ms. Chu votes aye.
1131 Mr. Deutch?
1132 Mr. Deutch. Aye.
1133 Ms. Kish. Mr. Deutch votes aye.
1134 Ms. Sanchez?
1135 [No response.]
1136 Chairman Smith. The gentleman from Texas, Mr. Poe?
1137 Mr. Poe. No.
1138 Ms. Kish. Mr. Poe votes no.
1139 Chairman Smith. The gentleman from North Carolina,
1140 Mr. Watt?
1141 Mr. Watt. Aye.
1142 Ms. Kish. Mr. Watt votes aye.
1143 Chairman Smith. The gentleman from North Carolina,
1144 Mr. Coble?
1145 Mr. Coble. No.
1146 Ms. Kish. Mr. Coble votes no.
1147 Chairman Smith. Are there other members who wish to
1148 be recorded?

1149 [No response.]

1150 Chairman Smith. If not, the clerk will report.

1151 Ms. Kish. Mr. Chairman, 7 members voted aye; 12
1152 members voted nay.

1153 Chairman Smith. The majority having voted against the
1154 amendment, the amendment is not agreed to.

1155 The gentleman from New York, Mr. Nadler, is recognized
1156 for purposes of offering another amendment.

1157 Mr. Nadler. Thank you. I now call up amendment
1158 number 7, Nadler 7.

1159 Chairman Smith. The clerk will report the amendment.

1160 Ms. Kish. "Amendment to H.J.Res.1 offered by Mr.
1161 Nadler. Page 3, line 16" --

1162 Chairman Smith. Without objection, the amendment will
1163 be considered as read.

1164 [The information follows:]

1165

1166 Chairman Smith. And the gentleman from New York is
1167 recognized to explain his amendment.

1168 Mr. Nadler. Thank you, Mr. Chairman.

1169 Mr. Chairman, this amendment provides that Congress
1170 may waive the requirements of the balanced budget amendment
1171 if the economy experiences two consecutive quarters of
1172 negative economic growth. In other words, that we may waive
1173 the balanced budget amendment during a recession.

1174 I am sorry. My mic wasn't on. Shall I start again?

1175 Chairman Smith. We can still hear you.

1176 Mr. Nadler. This amendment is really a plea for
1177 economic sanity. It says that if real economic growth has
1178 been or will be negative for two consecutive quarters --
1179 that is to say, if we are in a recession -- Congress may by
1180 law, by majority vote, waive this article for the current
1181 and next fiscal year. It embodies one of the basic rules of
1182 economics: when the economy is shrinking, Government has to
1183 increase spending. You certainly cannot continue to cut in
1184 a time of economic contraction. Herbert Hoover tried that
1185 and the country didn't fully recover for more than a decade.
1186 And I must say in the interest of equity, FDR tried that in
1187 1937 and what was a rapidly recovering economy went down the
1188 tubes again.

1189 Now we may decide that if we don't want to increase
1190 deficit spending in a time of economic contraction -- that

1191 we may decide that we don't want to increase deficit
1192 spending in a time of economic contraction, but we shouldn't
1193 hamstring our ability to do it if we need to.

1194 It is fairly straightforward, standard textbooks on
1195 economics tells us that as the economy contracts, revenues
1196 decrease. There is less income tax, people spending less.
1197 There is less sales tax revenue. And demands for Government
1198 services increase, spending on services like unemployment
1199 insurance, food stamps, and other Government programs
1200 increase because there are more unemployed people, et
1201 cetera. And these Government programs are stabilizers that
1202 act in a countercyclical manner to lessen the suffering of
1203 people caught in a downturn so that if you are unemployed,
1204 you have some income, but also stabilize the economy so you
1205 don't lose all your buying power. You are still buying some
1206 things which people are hired to make and to market and so
1207 forth. These countercyclical programs act as a buffer for
1208 the economy. We understand that basic economic rule.

1209 Now, I heard Mr. Goodlatte say that tax increases
1210 depress economic activity. Well, that is certainly one
1211 view. In my view, it is the wrong view. The fact is that
1212 we have heard incessantly. We heard that in 1993 when we
1213 passed President Clinton's deficit reduction program which
1214 consisted of some spending reductions but tax increases.
1215 The Republicans called it the largest tax increase in

1216 history, which wasn't completely accurate, but it was a
1217 fairly large tax increase. The Republicans on the floor
1218 said that this would lead to a terrible recession,
1219 depression, et cetera. What happened? We got 8 years or 7
1220 and a half years of tremendous prosperity and growth.

1221 In 2001, we were told that the Bush tax cuts would
1222 lead to tremendous economic prosperity, et cetera. And what
1223 happened? The economic growth came to a sudden halt and we
1224 got the longest period in American history, other than the
1225 depression, of weak economic growth, in fact, the weakest
1226 recovery from a recession in the Nation's history.

1227 So history does not bear out the contention that tax
1228 increases always or even often depress economic activity.
1229 Depending on the nature, they may increase economic
1230 activity. But that is debatable, and depending on the
1231 circumstances, one or the other may be true. We should not
1232 be inserting into the Constitution a rule that enshrines one
1233 of these views into the Constitution and inhibits some
1234 future Congress from making its own judgments on a majority
1235 rule basis. The Constitution should not hinder a future
1236 Congress' ability to act. It certainly shouldn't force
1237 further cuts in order to maintain balance, further cuts
1238 which may exacerbate the economic decline. But again, that
1239 is a matter for a future Congress to determine at a time
1240 when the economy is in decline.

1241 Without this amendment, we are signing the death
1242 warrant for our economy. We are mandating that anytime
1243 there is a recession, we should take actions that will make
1244 it a depression. That doesn't make sense. Congress ought
1245 to retain the ability to judge between the arguments that
1246 Mr. Goodlatte makes and the arguments that I make or our
1247 successors make 30 years from now. And the circumstances
1248 may be different 30 years from now or 40 years from now.
1249 Maybe the circumstances are such that at some point in a
1250 recession, tax increases are a bad idea and maybe in other
1251 cases they are a good idea. And maybe increased spending in
1252 some circumstances is a bad idea, but in other
1253 circumstances, it is a good idea. We should not be
1254 hamstringing the ability of future Congresses and future
1255 majorities to decide what to do in their circumstances,
1256 certainly not in a recession when most economics will tell
1257 you that you want to increase spending to cushion the
1258 recession and not decrease spending to make the recession
1259 into a depression. That is the dominant view in economics.
1260 Some people on the other side will disagree with that. They
1261 are entitled, but we shouldn't hamstring future Congresses
1262 in a future recession from making their own decisions on
1263 that on a majority vote.

1264 I thank you. I yield back.

1265 Chairman Smith. Thank you, Mr. Nadler.

1266 The gentleman from Virginia, Mr. Goodlatte, is
1267 recognized.

1268 Mr. Goodlatte. Thank you, Mr. Chairman. I speak in
1269 opposition to this amendment.

1270 The amendment provides that Congress may waive the
1271 requirements of the balanced budget amendment if the economy
1272 experiences two consecutive quarters of negative economic
1273 growth, but borrowing money hasn't proven to be a successful
1274 tool against the current economic downturn. Raising taxes
1275 -- actually Mr. Hoover is much maligned, but maybe it is
1276 deservedly so because he actually raised taxes and increased
1277 spending leading into the Great Depression. He didn't cut
1278 spending at that time or cut taxes.

1279 A balanced budget creates more economic certainty.
1280 Two consecutive quarters of negative economic growth does
1281 not justify incurring debt for 2 years.

1282 And this amendment is unnecessary because if the
1283 gentleman's point of view prevails, H.J.Res. 1 already
1284 contemplates that Congress can waive the requirement of a
1285 balanced budget if a three-fifths majority vote in both
1286 chambers. In extreme economic circumstances, the Congress
1287 could so choose to do so, but we have seen what Congresses
1288 of both parties and both administrations have chosen to do
1289 over the last several decades, and the American people want
1290 to have a discipline imposed upon the Congress. And if the

1291 Congress thinks the actions the gentleman describes are
1292 appropriate, they ought to be done so with a super majority
1293 vote of the Congress.

1294 So I would oppose the gentleman's amendment and urge
1295 my colleagues to do the same.

1296 Chairman Smith. Thank you, Mr. Goodlatte.

1297 The gentleman from Michigan is recognized.

1298 Mr. Conyers. Thank you, Mr. Chairman.

1299 I questioned this amendment at first but now I see
1300 that there is a historical precedent for examining a waiver
1301 of this constitutional amendment if for two quarters there
1302 is negative growth, in other words, that the economy is
1303 going bad. And the reason is that when the economy goes
1304 bad, that is when the Government has to put in additional
1305 resources to come out of it unless you are going to rely on
1306 the market economy entirely.

1307 That is exactly what President Obama did and has done
1308 with the stimulus package, with TARP. We put in hundreds of
1309 billions of dollars to stimulate the economy when things go
1310 wrong. And that is why the automobile economy is now
1311 rebounding. The big three auto companies have just declared
1312 profits and have additionally paid -- one of them has paid
1313 off their Government indebtedness entirely.

1314 So I am trying to find out why this should be objected
1315 to.

1316 Mr. Goodlatte. Would the gentleman yield?

1317 Mr. Conyers. Of course.

1318 Mr. Goodlatte. Well, thanks.

1319 I think it is objected to because at the same time all
1320 the events the gentleman describes the national debt of our
1321 country is going to be increased by \$1.6 trillion, and the
1322 bond rating agencies are saying, hey, we are going to have
1323 to downgrade U.S. Government bonds if you don't stop this
1324 train wreck that we are all on. And that is what this
1325 constitutional amendment is designed to do and why I object
1326 to your support of his amendment.

1327 Mr. Conyers. Well, I am glad you raised the point.
1328 If we hadn't done what we did for the automobile industry,
1329 they would have gone over the cliff. And I am sorry to find
1330 out that you regret them being saved in that way.

1331 Mr. Goodlatte. Would the gentleman yield?

1332 Mr. Conyers. Just a moment. Yes. I will be happy to
1333 yield.

1334 But if we hadn't done that, they could have been
1335 unsuccessful which would have triggered a national
1336 depression. As it is now, Chrysler just this week paid its
1337 debt back. How is destabilizing or worrying creditors? The
1338 fact of the matter is that it isn't. As a matter of fact,
1339 Moody's is warning of a U.S. credit downgrade if we do not
1340 raise the debt ceiling, gentlemen. That is what would

1341 really bring on a wreck.

1342 So we have the same thing that went on in the 1930's
1343 between Hoover and Roosevelt, and thank goodness Roosevelt
1344 won out. We have got the same thing going on between
1345 Boehner and Obama, and thank goodness Obama is winning out.
1346 The conservatives were wrong in the 1930's on trade, and
1347 they are on the wrong track in 2011 on the same subject.

1348 And who would like me to yield to them now? Yes, Jim
1349 Jordan, of all people.

1350 [Laughter.]

1351 Mr. Jordan. And I come from auto country too.

1352 A big Government --

1353 Mr. Conyers. This isn't big Government.

1354 Mr. Jordan. No, no, no. If big Government spending
1355 were going to get us out of this mess, we would have been
1356 out of it a long time ago. That is all we have been doing
1357 for 3 years. And unfortunately, it did start under the
1358 previous administration. It has been taken to a whole new
1359 level with this administration, and the gentleman from
1360 Virginia is exactly right. We have got to show for it 3
1361 years in a row of trillion dollar deficits, a \$14 trillion
1362 national debt, and the jobs report that came out today. So
1363 somehow this idea that big Government spending is going to
1364 get us out of this economic mess is just not true. It
1365 didn't work. And that is all this --

1366 Mr. Conyers. Jim, I would like to call in the chief
1367 executives of the Ford Motor Car Company, the Chrysler
1368 Automobile Company, and General Motors to have you explain
1369 to them that the big Government spending should not have
1370 gone to them and that they should have -- and we would have
1371 hoped that they would pull out of it, and if they did, okay,
1372 and if they didn't, okay.

1373 Chairman Smith. The gentleman's time has expired.

1374 Are there other members who wish to be recognized?

1375 Ms. Jackson Lee. Mr. Chairman?

1376 Chairman Smith. The gentlewoman from Texas, Ms.
1377 Jackson Lee.

1378 Ms. Jackson Lee. Mr. Chairman, I think the amendment
1379 -- I rise to support the Nadler amendment, and as I discuss
1380 it, I would like to ask unanimous consent, Mr. Chairman. I
1381 was detained and I would like to express my vote for the
1382 Watt amendment number 18. I would have voted aye. And the
1383 Gohmert amendment number 2, I would have voted no. I ask
1384 unanimous consent that it be placed appropriately in the
1385 record.

1386 Chairman Smith. Without objection, that will be made
1387 a part of the record.

1388 Ms. Jackson Lee. Thank you.

1389 Mr. Nadler's amendment is very succinct in its last
1390 words of definition: if the economy experiences two

1391 consecutive quarters of negative economic growth. It is not
1392 a random waiver that is being sought. It is a waiver that
1393 is being sought because we are in economic crisis. Now, we
1394 all can disagree on how you respond to that, but the
1395 barriers of a balanced budget amendment bar any kind of
1396 leadership from any Congress, Republican dominated or
1397 Democratic dominated.

1398 If you look at recent polling numbers, which of course
1399 my friends on the other side of aisle say they don't live by
1400 that, but we know they do, our middle class feels completely
1401 oppressed and smashed and without help.

1402 We have made a difference. Mr. Conyers is absolutely
1403 right. Not only have the automobile industry, which I don't
1404 believe we saved Chrysler or GM -- we saved an automobile
1405 industry. We allowed the United States to maintain its
1406 prominence on the making of automobiles, an industry that
1407 has been part of the American fabric for a long time.

1408 But more importantly, this industry has brought jobs
1409 back from overseas and, therefore, has impacted upon the
1410 working class and the middle class by creating additional
1411 jobs. Those jobs are an answer to the desperation that
1412 middle class Americans feel in not being able to pay their
1413 mortgage or pay their bills or pay college tuition in a
1414 crisis.

1415 So I think this is a reasonable approach.

1416 One of the other aspects of middle class thinking is
1417 that we are not creating jobs, that all our jobs are in
1418 China. Therefore, it would be important if both the
1419 Congress and the President, whichever party, had the
1420 ability, if a balanced budget amendment was in place, to be
1421 able to do extraordinary things to create jobs.

1422 It appears that my friend who is opposing this
1423 amendment believes that we live in a perfect world. Just
1424 have a balanced budget amendment and we will all be singing
1425 a tree and we will all be just as happy as we can be because
1426 we have a balanced budget amendment. Meantime, the American
1427 people are failing to pay bills. Their college students are
1428 walking the streets because they don't have the money to pay
1429 tuition. And we have the inability to be able to help them.

1430 What we do in the Judiciary Committee under a
1431 constitutional process of a balanced budget amendment
1432 impacts real lives, and while we are talking about a
1433 balanced budget amendment, an economic crisis may mean that
1434 we are in a war not of our choosing, but the kinds of war
1435 that you are defending the American soil. We may be in a
1436 war, an economic crisis rises of proportions we had never
1437 seen, and two quarters and more show that we are in a
1438 crisis, negative economic growth that may be draconian and
1439 drastic, and we are tied to having things done because maybe
1440 we required a three-fifths vote. And as my colleague from

1441 Virginia knows, a three-fifths vote is like the suspension
1442 concept. Of course, quite a few could derail any effort
1443 that a President of the United States, Republican or
1444 Democrat, would desire as imperative to help the American
1445 people.

1446 My friends, we are not playing a chess game here. It
1447 is not about the intellect and the ability to be superior
1448 analysts about what you think the economy will look like
1449 after you leave this Congress. It is real life, real
1450 actions. And what we as Democrats are trying to do is to
1451 allow a reasonable governance to occur.

1452 Finally, I would say there is not one person here that
1453 does not recognize the existence of the debt and the
1454 willingness to try and deal with that debt. And the
1455 President has laid out a reasonable 12-year plan of \$4
1456 trillion in reduction.

1457 And I close by saying if we had not blown up the debt
1458 after we had a surplus in 2000, we wouldn't be here today.
1459 Wars that we did not ask for and tax cuts that were not
1460 deserved is what brought us here today. Let's not break the
1461 back of working Americans and middle class because we made
1462 mistakes.

1463 Chairman Smith. The gentlewoman's time has --

1464 Ms. Jackson Lee. The Republican majority made
1465 mistakes.

1466 I support the gentleman's amendment.

1467 Chairman Smith. Now, the gentleman from Virginia, Mr.
1468 Forbes, is recognized.

1469 Mr. Forbes. Mr. Chairman, I always say that I will
1470 never be shocked by what I hear in Congress or what I hear
1471 in this committee, and each day I prove myself wrong.

1472 I am sitting over here listening. Earlier today I
1473 heard this attack after attack after attack on tax breaks
1474 that we gave to corporate America and to the energy
1475 companies and the oil companies. And in just a spin of the
1476 dime, I am now hearing my friends on the other side of the
1477 aisle defending not tax breaks to large auto makers but
1478 outright giving them the dollars and saying how wonderful
1479 that was to do it. Let's don't give them the tax breaks.
1480 Let's don't have them go through those hoops. Let's just
1481 give them the money because they may be located in our
1482 districts, so they may be people we want to support.

1483 And I would love to bring the Ford executives and sit
1484 them in this panel because they would say this is how we did
1485 it without taking all of those dollars that we are talking
1486 about giving.

1487 And, Mr. Chairman, what I don't understand is when I
1488 hear people talk about the beauty of a balanced budget
1489 amendment, it is not the beauty of a balanced budget
1490 amendment. It is the beauty of a balanced budget that we

1491 have to get because those middle-income people that we are
1492 talking about are having to make those cuts to balance their
1493 lives, and they look at us day after day and say why don't
1494 those folks understand they have got to do the same thing in
1495 Congress that we are doing here. And the only way they are
1496 going to force us to do it is through a balanced budget
1497 amendment.

1498 And then I am looking at the praises I am hearing for
1499 this economy. Those same middle-income people would be
1500 shocked when we are telling them what wonderful results we
1501 had from these bailout bills and the stimulus bills when
1502 they see real estate reports going in nose dives every day
1503 and that impacts their lives far more than what the big
1504 automobile makers might be doing. It impacts them when they
1505 see job reports coming out that give them very little hope
1506 that this is turning around. And then what scares them even
1507 more is when we say we understand the debt, but we really
1508 don't understand the debt.

1509 What we are seeing today is we will go on the floor
1510 and we will argue about what we did in Libya, which I agree
1511 with. That was wrong. We probably shouldn't have done it.
1512 \$663 million. I hear people going on the floor saying, oh,
1513 that is terrible. We spent \$663 million.

1514 What they don't realize is we are spending \$73.9
1515 million a day in interest to China. What they don't

1516 realize, that in 2009 for the first time in any of our
1517 lifetimes in this room, China had more ships in their navy
1518 than we had in our Navy because we helped buy them. They
1519 don't realize that in 2010, for the first time in our lives,
1520 in fact, for the first time in 100 years, China exceeded the
1521 United States in manufacturing. And they don't realize that
1522 in 2016, they will exceed our economy.

1523 And we sit back here and we continue to say, but we
1524 have got to defend our spending programs. We can't have a
1525 budget amendment that is going to make us have a balanced
1526 budget amendment.

1527 And, Mr. Chairman, the American people -- they just
1528 want us to stop borrowing 42 cents on every single dime that
1529 we spend.

1530 And I yield back.

1531 Mr. Conyers. Will Mr. Forbes yield please?

1532 Chairman Smith. The gentleman has yielded back his
1533 time.

1534 Mr. Forbes. Every dollar. I am sorry.

1535 I would be happy to yield.

1536 Mr. Conyers. Thanks, Mr. Forbes, because I was moved
1537 by your comments to remind you that like many of us, you
1538 supported the Iraq wars which were not on the charts, which
1539 was not in the budget, the Afghanistan war, which was not on
1540 the budget, the pharmaceutical Part D of the health care

1541 bill, which was unfunded.

1542 Mr. Forbes. Mr. Chairman, I reclaim my time.

1543 I also will proudly tell you that I was one of 17
1544 Members of Congress that did not support any of the bailout
1545 or stimulus bills because I felt that they were improper for
1546 us to do on the fiscal responsibility we needed in this
1547 country. And I will also tell you I didn't support the \$800
1548 billion we spent in the stimulus bill because I thought it
1549 was the wrong direction for us.

1550 And I think for Congress to get a handle on the
1551 spending they have -- unfortunately, we haven't proven the
1552 capability of doing it without having something like this
1553 constitutional amendment to make us do it.

1554 Mr. Conyers. Could you yield one more time, sir?

1555 Mr. Forbes. As long as I have got time, I am happy
1556 to.

1557 Mr. Conyers. I am in agreement with you that we
1558 should call the automobile executives forward who got all
1559 this money to have them be explained to by you of why you
1560 didn't want them to get the money.

1561 Mr. Forbes. And I reclaim my time. I reclaim my
1562 time.

1563 I felt that we needed to be careful about giving
1564 taxpayer money to them.

1565 And, Mr. Chairman, I will continue to say I don't

1566 understand the argument of how much we hate having the
1567 energy that we are using to drive those cars have tax
1568 incentives to make sure that energy is not being purchased
1569 from Brazil or some other country, but yet at the same time,
1570 we want to make sure we give those dollars to the car
1571 manufacturers because maybe they happen to be located in our
1572 district.

1573 With that, Mr. Chairman, I yield back.

1574 Chairman Smith. Thank you, Mr. Forbes.

1575 The gentleman from Virginia, Mr. Scott, is recognized.

1576 Mr. Nadler. Thank you, Mr. Chairman.

1577 We are getting very confused here. There are two
1578 separate arguments and we shouldn't conflate the two. The
1579 first argument is economic policy. And I will address that
1580 for a moment or two.

1581 And that is, that some people think that we should
1582 always balance the budget. I would point out that families
1583 borrow for the mortgage and for the car. Any corporation,
1584 any State, any local government has a separate capital and
1585 operating budget. We do not. The Federal Government does
1586 not. If you say our budget must be balanced every year, you
1587 say we should never borrow to make investments in the
1588 infrastructure, whatever, a view that makes no sense. Most
1589 economists will say that the budget should be balanced in
1590 good times and imbalanced in bad times to stimulate the

1591 economy.

1592 Now, we are told that the stimulus didn't work. From
1593 my point of view, it didn't work enough because it wasn't
1594 nearly big enough. It was too small for the problem we had.
1595 We had an \$800 billion stimulus, about a third of which were
1596 tax cuts which were ineffective. \$80 billion of that was
1597 simply the AMT postponement we do every year. The real
1598 stimulus was about \$450 billion. It was undone by spending
1599 cutbacks by the States. So there is no real stimulus.

1600 But the fact of the matter is even if you count it as
1601 \$800 billion, it was a one-time \$800 billion. That is not
1602 what is causing our huge debt. What is causing our huge
1603 debt is three things. One, the ongoing Bush tax cuts is
1604 causing about half of the debt. Two, the ongoing wars in
1605 Afghanistan and Iraq. And three, the depressed economy.
1606 When you have a depressed economy, you imbalance the budget
1607 because tax revenues go down and expenses go up. That
1608 always happens in a recession.

1609 Second point. I would point out that the historical
1610 experience is that spending properly in a recession gets you
1611 out of it. Now, look at the Great Depression. The
1612 conservatives will tell you the New Deal didn't get us out
1613 of the Great Depression. World War II got us out of the
1614 Great Depression. Fine, granting that. What was World War
1615 II from an economic point of view? A huge, huge public

1616 works program. We put 13 million people on the public
1617 payroll. We call that the armed forces. We spent huge
1618 amounts of money for public works, building ships, building
1619 bombers, et cetera. We taxed people at 91 percent, the
1620 highest marginal tax rate. As the saying went at the time,
1621 you taxed anything that moved and borrowed anything that
1622 didn't. We financed World War II through huge deficit
1623 financing and huge taxes and had a huge public works
1624 program, not a constructive public works program, granted,
1625 but a public works program. And what happened? We got out
1626 of the depression. It worked and set the stage for 30 years
1627 of prosperity.

1628 Now, that is my view. That is not material. I
1629 understand that Mr. Goodlatte and Mr. Forbes have a
1630 different view. They are entitled to it and we can debate
1631 that at election time or on the floor of the House.

1632 The second issue of this constitutional amendment is
1633 to take Mr. Goodlatte's view and Mr. Forbes' view and some
1634 other views and say that is going to be the Constitution's
1635 view, and we are going to bind future Congresses. And in a
1636 future recession, if a majority of Congress and a majority
1637 of the American people think in some future recession that
1638 the way out of it is a stimulus program or to spend money or
1639 to borrow money, they can't do that unless they get three-
1640 fifths, which in practical political terms is almost

1641 impossible. We are going to take our view, because we have
1642 a majority at the moment -- or they do -- you do -- and we
1643 are not going to not only use it now, which is proper and
1644 you are entitled to do that on the floor of the House and
1645 enact the wrong economic policies, and we can debate that at
1646 election time, but you want to enshrine it in the
1647 Constitution and tie the hands of a future majority and a
1648 future Congress in a recession. That is wrong.

1649 What this amendment does is say a future recession,
1650 even if you are going to tie the hands of Congress and the
1651 majority generally, but in a future recession, let the
1652 majority work its will if they think then that an imbalanced
1653 budget is the way out of the recession. Maybe they will be
1654 right; maybe they will be wrong. But a democratic system
1655 says you let the majority decide and they will live with the
1656 consequences. If they are wrong, the economy will tell them
1657 that. Maybe whoever is in power then will lose the next
1658 election. If they are right, they will benefit by it.

1659 As I said, the Constitution should enshrine forms and
1660 processes. You need a two-thirds vote to impeach the
1661 President, not to decide who is going to be President in the
1662 first place or whether the President's policies are right,
1663 but to impeach him for high crimes and misdemeanors. We
1664 should not bind our successors by the Constitution in terms
1665 of their view of what the proper economic policy may be in a

1666 future recession. That is what this amendment is about and
1667 why it should be passed.

1668 Chairman Smith. Thank you, Mr. Nadler.

1669 Mr. Nadler. I yield back Mr. Scott. He yields back
1670 to me.

1671 Chairman Smith. Thank you, Mr. Scott.

1672 The question is on the amendment. Those in favor, say
1673 aye.

1674 [Chorus of ayes.]

1675 Chairman Smith. Opposed, no.

1676 [Chorus of nays.]

1677 Chairman Smith. In the opinion of the chair, the noes
1678 have it, and the amendment is not agreed to.

1679 Mr. Conyers. Record vote.

1680 Chairman Smith. A record vote has been requested, and
1681 the clerk will call the roll.

1682 Ms. Kish. Mr. Smith?

1683 Chairman Smith. No.

1684 Ms. Kish. Mr. Smith votes no.

1685 Mr. Sensenbrenner?

1686 Mr. Sensenbrenner. No.

1687 Ms. Kish. Mr. Sensenbrenner votes no.

1688 Mr. Coble?

1689 Mr. Coble. No.

1690 Ms. Kish. Mr. Coble votes no.

1691 Mr. Gallegly?
1692 [No response.]
1693 Ms. Kish. Mr. Goodlatte?
1694 Mr. Goodlatte. No.
1695 Ms. Kish. Mr. Goodlatte votes no.
1696 Mr. Lungren?
1697 Mr. Lungren. No.
1698 Ms. Kish. Mr. Lungren votes no.
1699 Mr. Chabot?
1700 Mr. Chabot. No.
1701 Ms. Kish. Mr. Chabot votes no.
1702 Mr. Issa?
1703 [No response.]
1704 Ms. Kish. Mr. Pence?
1705 [No response.]
1706 Ms. Kish. Mr. Forbes?
1707 Mr. Forbes. No.
1708 Ms. Kish. Mr. Forbes votes no.
1709 Mr. King?
1710 Mr. King. No.
1711 Ms. Kish. Mr. King votes no.
1712 Mr. Franks?
1713 Mr. Franks. No.
1714 Ms. Kish. Mr. Franks votes no.
1715 Mr. Gohmert?

1716 [No response.]
1717 Ms. Kish. Mr. Jordan?
1718 [No response.]
1719 Ms. Kish. Mr. Poe?
1720 Mr. Poe. No.
1721 Ms. Kish. Mr. Poe votes no.
1722 Mr. Chaffetz?
1723 Mr. Chaffetz. No.
1724 Ms. Kish. Mr. Chaffetz votes no.
1725 Mr. Griffin?
1726 Mr. Griffin. No.
1727 Ms. Kish. Mr. Griffin votes no.
1728 Mr. Marino?
1729 Mr. Marino. No.
1730 Ms. Kish. Mr. Marino votes no.
1731 Mr. Gowdy?
1732 Mr. Gowdy. No.
1733 Ms. Kish. Mr. Gowdy votes no.
1734 Mr. Ross?
1735 [No response.]
1736 Ms. Kish. Ms. Adams?
1737 Ms. Adams. No.
1738 Ms. Kish. Ms. Adams votes no.
1739 Mr. Quayle?
1740 Mr. Quayle. No.

1741 Ms. Kish. Mr. Quayle votes no.
1742 Mr. Conyers?
1743 Mr. Conyers. Aye.
1744 Ms. Kish. Mr. Conyers votes aye.
1745 Mr. Berman?
1746 [No response.]
1747 Ms. Kish. Mr. Nadler?
1748 Mr. Nadler. Aye.
1749 Ms. Kish. Mr. Nadler votes aye.
1750 Mr. Scott?
1751 Mr. Scott. Aye.
1752 Ms. Kish. Mr. Scott votes aye.
1753 Mr. Watt?
1754 Mr. Watt. Aye.
1755 Ms. Kish. Mr. Watt votes aye.
1756 Ms. Lofgren?
1757 [No response.]
1758 Ms. Kish. Ms. Jackson Lee?
1759 Ms. Jackson Lee. Aye.
1760 Ms. Kish. Ms. Jackson Lee votes aye.
1761 Ms. Waters?
1762 Ms. Waters. Aye.
1763 Ms. Kish. Ms. Waters votes aye.
1764 Mr. Cohen?
1765 [No response.]

1766 Ms. Kish. Mr. Johnson?
1767 Mr. Johnson. Aye.
1768 Ms. Kish. Mr. Johnson votes aye.
1769 Mr. Pierluisi?
1770 [No response.]
1771 Ms. Kish. Mr. Quigley?
1772 [No response.]
1773 Ms. Kish. Ms. Chu?
1774 Ms. Chu. Aye.
1775 Ms. Kish. Ms. Chu votes aye.
1776 Mr. Deutch?
1777 Mr. Deutch. Aye.
1778 Ms. Kish. Mr. Deutch votes aye.
1779 Ms. Sanchez?
1780 [No response.]
1781 Ms. Kish. Mr. Jordan?
1782 Mr. Jordan. No.
1783 Ms. Kish. Mr. Jordan votes no.
1784 Chairman Smith. Are there other members who wish to
1785 record their vote?
1786 [No response.]
1787 Chairman Smith. If not, the clerk will report.
1788 Ms. Kish. Mr. Chairman, 9 members voted aye; 17
1789 members voted no.
1790 Chairman Smith. The majority having voted against the

1791 amendment, the amendment is not agreed to.

1792 Let me give all members an update as to where I
1793 believe we stand with the remaining amendments. Amendments
1794 number 8 and 11 will not be offered, nor will amendments
1795 number 14 and 15, which means we have five amendments left.

1796 And the gentleman from Virginia, Mr. Scott, is
1797 recognized to offer one of his.

1798 Mr. Scott. Number 8 I am going to introduce.

1799 Chairman Smith. I am sorry. I missed the gentleman's
1800 comment.

1801 Mr. Scott. Number 8 you indicated would not be
1802 introduced.

1803 Chairman Smith. I think that is what Mr. Nadler told
1804 me.

1805 Mr. Scott. I am going to introduce it.

1806 Chairman Smith. Okay. I stand corrected. I thought
1807 it was not going to be offered at all.

1808 The gentleman from Virginia, Mr. Scott, is recognized
1809 to offer Mr. Nadler's amendment.

1810 Mr. Scott. Number 380, which is Nadler 380.

1811 Chairman Smith. The clerk will report the amendment.

1812 Ms. Kish. "Amendment to H.J.Res. 1 offered by Mr.
1813 Scott. Page 3, strike lines 5 through 8 and redesignate
1814 succeeding sections accordingly."

1815 Chairman Smith. Without objection, the amendment is

1816 considered as read.

1817 [The information follows:]

1818

1819 Chairman Smith. And the gentleman from Virginia, Mr.
1820 Scott, is recognized to explain the amendment.

1821 Mr. Scott. Thank you, Mr. Chairman.

1822 Mr. Chairman, this amendment deals with the misleading
1823 title of the legislation calling it the balanced budget
1824 amendment. People have been debating the title, but not the
1825 provisions. They have been suggesting that it requires a
1826 balanced budget.

1827 First of all, this legislation does not require a
1828 balanced budget. It does require an increased threshold for
1829 passing any budget that we might consider. All the budgets
1830 we considered this year were unbalanced this year and
1831 therefore would require, under the balanced budget
1832 amendment, a 60 percent vote. So all budgets, the
1833 Republican Study Group budget, the Black Caucus budget, the
1834 Republican budget, everybody's budget would require three-
1835 fifths votes.

1836 Now, all real deficit reduction is politically
1837 dangerous. Many people cast career-ending votes when they
1838 get serious about passing the budget. So passing a real
1839 deficit reduction budget, so just think if you are
1840 sponsoring a real deficit reduction budget, will it be
1841 easier or harder to pass if we increase the threshold to 60
1842 percent. Most people will say it will be harder to get 60
1843 percent rather than a simple majority. In that case, this

1844 legislation will actually make it harder to balance the
1845 budget.

1846 This amendment strikes section 5. This amendment also
1847 exposes another absurdity in the title because if you are
1848 trying to balance the budget, common sense and fundamental
1849 principles of arithmetic will notify you that you either
1850 have to increase revenues and/or cut spending. Section 5
1851 increases the threshold for raising revenues and
1852 transparently will make it harder to balance the budget, and
1853 this legislation is still cynically called "the balanced
1854 budget amendment."

1855 If a majority of the public wants new programs and
1856 willing to pay for it with new taxes, that is a balanced
1857 choice, but under this legislation, it is okay to spend more
1858 money on a simple majority. So long as you are under the 18
1859 percent of GDP, you can spend the money with a simple
1860 majority, but you can't pay for it unless you can come up
1861 with 60 percent, obviously an unbalanced situation which is
1862 inconsistent with the title.

1863 Furthermore, as the Nadler amendment showed, this
1864 legislation allows you to create an oil company loophole
1865 with a simple majority, but to repeal the oil company
1866 loophole, you need three-fifths. Any other tax cuts can be
1867 done with a simple majority, but to repeal the tax cuts
1868 takes 60 percent. And as the gentleman, my colleague, from

1869 Virginia pointed out, if you wanted to repeal the entire tax
1870 code, he could do that with a simple majority, but every
1871 provision he tried to get back the next day would take a 60
1872 percent majority.

1873 Our tax code is riddled with special interest
1874 loopholes, and we currently are taxing at the lowest level
1875 as a percentage of GDP since 1950. The ability to eliminate
1876 loopholes should not be hindered by a simple majority. And
1877 many of these special interests have the necessary resources
1878 to influence enough members of either the House or the
1879 Senate to easily block any repeal that required a super
1880 majority. So if the action is needed to balance the budget,
1881 you could have a simple majority to cut food inspectors, a
1882 simple majority to cut Head Start, but you need a super
1883 majority, three-fifths, to close an oil company loophole.

1884 Balancing the budget requires making tough choices and
1885 sometimes casting career-ending votes. If we are going to
1886 get serious about balancing the budget, one thing Congress
1887 could do would be to end special interest tax breaks, but
1888 requiring super majorities to end even the most egregious
1889 tax loopholes will only make it more difficult to balance
1890 the budget.

1891 And at some point, we are going to have to come to
1892 terms with the fundamental principles of arithmetic and
1893 recognize that balancing the budget will require a

1894 combination of tax increases and/or spending cuts. With the
1895 spending now at 24 percent of GDP, to get down to the 18
1896 percent required in this budget without being able to raise
1897 taxes, we are going to have to find some offsets, and the
1898 most immediate one under the Ryan budget is a repeal of
1899 Medicare. If we are not able to come up with 60 percent to
1900 raise taxes, we cannot save Medicare with new taxes. If we
1901 can't do it with spending cuts, Medicare is on the chopping
1902 block.

1903 So let's actually help balance the budget, pass this
1904 amendment, not only get serious about balancing the budget,
1905 but also get serious about saving Medicare. And I hope the
1906 committee will adopt the amendment.

1907 Chairman Smith. Thank you, Mr. Scott.

1908 The gentleman from Virginia, Mr. Goodlatte, is
1909 recognized.

1910 Mr. Goodlatte. Thank you, Mr. Chairman. I speak in
1911 opposition to this amendment.

1912 I am beginning to feel like this is Groundhog Day,
1913 although I somehow know it is not.

1914 This is half of an earlier amendment that we already
1915 defeated. This amendment strikes the three-fifths vote
1916 requirement for legislation to increase tax revenue. This
1917 provision is an important feature of House Joint Resolution
1918 1, and the three-fifths requirement provides an additional

1919 disincentive to raising taxes to balance the budget. We
1920 don't have a revenue problem in Washington, D.C. We have a
1921 spending problem. We need to balance the budget not by
1922 raising taxes but by reducing spending and being good
1923 stewards of the taxpayers' dollars. Not only would
1924 increasing taxes hurt our economy, the fact of the matter is
1925 we cannot tax our way to a balanced budget. In order to pay
1926 for entitlement spending alone, which now encompasses more
1927 than 60 percent of our Federal budget, solely by raising
1928 taxes, we would have to double the marginal tax rates for
1929 all income brackets over the next 30 years.

1930 I urge opposition to this amendment and support --
1931 Chairman Smith. Would the gentleman from Virginia
1932 yield to the gentleman from Arizona?

1933 Mr. Goodlatte. I would be happy to yield to the
1934 gentleman from Arizona.

1935 Mr. Franks. Thank you, Mr. Chairman.

1936 Mr. Chairman, just very briefly. I wanted to address
1937 a couple of the misnomers that were stated.

1938 First of all, related to the title of the bill, the
1939 balanced budget act, here, to be very clear, this bill would
1940 make it harder to pass any budget that wasn't balanced. Its
1941 central focus is to balance the budget. For the gentleman
1942 to suggest that the bill should be somehow renamed, I mean,
1943 what about the Patient Protection and Affordable Care Act of

1944 last year? I mean, that does for euphemisms what Stonehenge
1945 did for rocks. I mean, the astonishing ability to try to --
1946 if we had to go back and rename every Democrat bill, I don't
1947 know how we would ever fix that. So I think that is an
1948 unfair characterization.

1949 Second of all, as to the loopholes, any changes in
1950 revenue -- if we want to change the tax code, we can do that
1951 under this easily as long as it is at least revenue-neutral,
1952 as long as it is not a tax increase. We can completely
1953 rewrite the tax code under this. We just can't raise taxes.
1954 And that is an important consideration.

1955 And then finally, the idea that you have to put in
1956 there -- I know you are sticking to your talking points, and
1957 I understand that. But the idea to suggest that the Ryan
1958 budget repeals Medicare is demagoguery. It is a misnomer.
1959 It isn't true and I think the gentleman understands that.
1960 And I would just suggest that that is a place to stop doing
1961 it.

1962 With that, I yield back.

1963 Mr. Watt. Mr. Chairman?

1964 Chairman Smith. The gentleman yields back his time.

1965 The gentleman from North Carolina, Mr. Watt, is
1966 recognized.

1967 Mr. Watt. Thank you, Mr. Chairman. I move to strike
1968 the last word.

1969 Chairman Smith. The gentleman is recognized for 5
1970 minutes.

1971 Mr. Watt. Well, this seems to be at least part of the
1972 same amendment we debated before, and I am tempted to just
1973 say incorporate my arguments from before because it seems to
1974 me that anything that requires more than a majority vote
1975 gives one Member of Congress increased power or diminishes a
1976 Member of Congress' vote compared to other Members, which
1977 strikes me as being totally undemocratic.

1978 Now, we can get into the underlying consequences of
1979 that. I mean, I haven't really offered any amendments
1980 dealing with the substance of where that gets you one way or
1981 another, but I feel adamantly that we all are sent here on
1982 an equal footing, sent here by an equal number of people as
1983 reflected by a census every 10 years and reshuffling of
1984 congressional districts to reflect that.

1985 And for us to be talking about giving one Member of
1986 Congress or a smaller group of Members the authority to hold
1987 up something or not allow it to pass seems to me to be
1988 making our institution just like the thing that many of us
1989 rail against and object to vigorously in the United States
1990 Senate. So we think it is terrible that they spend forever
1991 on their side requiring 60 votes out of 100 to do anything,
1992 and here we are on our side getting ready to require the
1993 same kind of nonsense. That just doesn't strike me as being

1994 something that I would support regardless of the
1995 consequences of it.

1996 Even if the consequences I could project might appear
1997 to me to be good or supportive of the philosophy that I
1998 wanted to advance, it seems to me that I would still want my
1999 colleagues in this House to have an equal vote. You know,
2000 as many majority votes as I have been on the losing side of,
2001 I still support the concept of a majority rule in this
2002 country. And I think that is what the American people
2003 understand and that is what they support, and anything that
2004 you all advance that is going to do something different than
2005 that I think is counter to something that we ought to be
2006 doing in the Judiciary Committee of all places.

2007 Now, Mr. Lungren says there is this great divide
2008 between what you all believe on your side of the aisle and
2009 what we believe on our side of the aisle. I thought the
2010 thing that we all had some consensus about was that each one
2011 of us is entitled to an equal vote on these things and that
2012 somehow our democracy would be better if we allowed the
2013 majority to rule. That has been the principle that has been
2014 at play in our country for years and years, and regardless
2015 of the substance or what you think the outcome of requiring
2016 a 60 percent vote is, I don't understand how you think we
2017 ought to be giving up our equal ability to argue about it
2018 and vote on it and that you somehow think that is consistent

2019 with democracy in this country. I don't understand that.

2020 Now, I acknowledged at the very outset of my comments
2021 on my amendment that the Founding Fathers did give some
2022 extra authority in the Constitution, but it was very limited
2023 in a very limited number of cases. And anything that we do
2024 that goes beyond that limited number of cases, I think is a
2025 terrible idea.

2026 I support the gentleman's amendment. It is actually
2027 part of the same amendment that I had offered before.

2028 Chairman Smith. The gentleman's time has expired.

2029 Mr. Watt. But since he didn't get a chance to talk on
2030 it, Mr. Chairman, since you cut off debate on it --

2031 Chairman Smith. The gentleman from North Carolina has
2032 more than made up for any lack of recognition of Mr. Scott.

2033 Mr. Watt. I yield back.

2034 Chairman Smith. Are there any other members who wish
2035 to be recognized?

2036 [No response.]

2037 Chairman Smith. If not, the question is on the
2038 amendment.

2039 Mr. Conyers. Mr. Chairman?

2040 Chairman Smith. The gentleman from Michigan, Mr.
2041 Conyers, is recognized.

2042 Mr. Conyers. I rise to support the Scott-Nadler-Watt
2043 amendment to strike section 5. It is one very small

2044 sentence that says a bill to increase revenue shall not
2045 become law unless three-fifths of the House shall pass it.
2046 We cannot increase it without a three-fifths vote.

2047 Now, we can create the loophole with a simple
2048 majority. And so I would like to examine the fact that
2049 Exxon Mobil paid no taxes in the last reported year. We
2050 just agreed by a majority vote that to repeal the oil and
2051 gas industry tax breaks would fly in the face of the
2052 majority's position on this committee.

2053 So what is it we are trying to do? We need a super
2054 majority to cut taxes, but a simple majority to impose
2055 taxes. So it is not clear to me -- well, it is becoming
2056 clear, and I think this debate is very instructive.
2057 Corporations pay an effective tax rate of a negative 1.5
2058 percent. That is, not 1.5 percent but a negative 1.5
2059 percent. And the tax rates is incredibly low. Here we have
2060 some of the bigger -- the 12 corporations that their U.S.
2061 taxes -- pre-tax profits -- and I am assuming from this that
2062 they didn't pay any taxes. Is that correct? As a matter of
2063 fact, they may have gotten returns from their tax filings.

2064 You know, it is very interesting. On one hand, me and
2065 Mr. Forbes want the automobile executives to come before the
2066 committee, and I think we have a hook to get them here to
2067 let them explain what they did with the money that they
2068 weren't given. They borrowed it. I see the gentleman is

2069 not here right now.

2070 But here is who paid no taxes. By the way, what was
2071 your tax rate last year? Well, General Electric, American
2072 Electric Power, DuPont, Verizon, Boeing, Wells Fargo, FedEx,
2073 Honeywell, IBM, Yahoo, United Technologies, and our good
2074 friend, Exxon Mobil. These 12 companies, notwithstanding
2075 the billions of dollars of profit they made, paid no taxes.
2076 And we sit here talking about a constitutional amendment
2077 that would require three-fifths of us to impose any new
2078 taxes on them.

2079 Mr. Johnson. Will the gentleman yield?

2080 Mr. Conyers. Yes, Hank Johnson, I will yield to you.

2081 Mr. Johnson. Thank you, Mr. Chairman.

2082 What we are talking about is enshrining in stone tax
2083 breaks and tax cuts for the wealthiest of corporations, and
2084 we are going to make it much more difficult to make those
2085 tax cuts go away and restore a balance where the middle
2086 class is not strapped with the tax burden in this country.
2087 That is the bottom line.

2088 I yield back.

2089 Mr. Deutch. Will the gentleman yield?

2090 Chairman Smith. The gentleman's time has expired.

2091 Mr. Conyers. Can I get 1 minute additional?

2092 Chairman Smith. Without objection, the gentleman is
2093 recognized for an additional 1 minute.

2094 Mr. Conyers. Thank you.

2095 Mr. Deutch. I thank the gentleman for yielding.

2096 In fact, the gentleman from Michigan is correct.

2097 Those 12 corporations had \$171 billion in profit. Their
2098 effective tax rate was negative 1.5 percent. They received
2099 \$2.5 billion back from the Federal Government and \$62.4
2100 billion in subsidies.

2101 And if we are going to set the record straight and
2102 address misnomers, which we have heard a lot about from the
2103 other side this morning, I would like to perhaps the
2104 greatest fallacy that we continue to hear and over and over
2105 which is somewhere between 40 and 50 percent of the American
2106 people don't pay taxes. That is false. It is misleading,
2107 and it is unfair to the working families in this country who
2108 pay taxes at a higher rate -- at a higher rate -- than
2109 others. The fact is they do pay taxes and they pay a lot of
2110 taxes. They don't have a lot of income. That is why they
2111 don't pay a lot of income tax, but they do pay payroll tax
2112 and gas tax and State taxes and sales taxes. While the
2113 burden for the richest 400 Americans is 16.6 percent, for
2114 the majority of Americans, their tax burden is 23.4 percent.
2115 We have to stop making the argument that working families
2116 and poor families don't pay taxes. It is not true and it is
2117 not fair.

2118 And I yield back.

2119 Mr. Conyers. Thank you, Mr. Deutch.

2120 And I yield back my time.

2121 Chairman Smith. The gentleman's time has expired.

2122 The gentleman from Ohio, Mr. Jordan, is recognized.

2123 Mr. Jordan. I just want to respond to the last
2124 comments. That is exactly what this bill is about, making
2125 it so it is more difficult for Members of Congress to raise
2126 taxes on the very families you talked about who have to pay
2127 gas tax, sales tax, all these other taxes. That is what
2128 this is all about. That is why we want the super majority
2129 requirement in there.

2130 And let's never forget, 38 States have to ratify this
2131 thing if, in fact, it goes through the House and goes
2132 through the Senate and gets a super majority in the House
2133 and Senate to go to the States. There are all kinds of
2134 protections in this. This is needed to protect the very
2135 families the gentleman from Florida was recognizing in his
2136 comments.

2137 And I yield back.

2138 Chairman Smith. Who does the gentleman from Ohio
2139 yield to?

2140 Mr. Jordan. I will yield to the gentleman from
2141 Florida.

2142 Mr. Johnson. I move to strike the last word.

2143 Chairman Smith. The gentleman from Georgia, Mr.

2144 Johnson, is recognized.

2145 Mr. Johnson. I yield to Mr. Deutch.

2146 Mr. Deutch. I thank the gentleman.

2147 I ask whether we can go into this vote with a fair
2148 understanding of what it is that we are being asked to do.

2149 I appreciate the sudden concern for those who earlier in
2150 this hearing were demonized for not paying any taxes at all,
2151 which is a point, as I have said now and will repeatedly
2152 point out, is just untrue and is unfair.

2153 I wonder if, going in, there is at least some
2154 acknowledgment that there is some inherent unfairness to a
2155 system in which a dozen corporations have an effective tax
2156 rate of 1.5 percent, \$2.5 billion of the hard-earned money
2157 of American citizens being paid out in tax refunds to those
2158 corporations, in addition to \$62.4 billion in subsidies. I
2159 just want to make sure that before we take this vote that
2160 there is at least an understanding of what is and what is
2161 not fair. And I would like some concurrence that this
2162 current system that we have that continues to reward through
2163 subsidies and effectively a zero tax rate is unfair.

2164 Mr. Johnson. Reclaiming my time.

2165 Mr. Goodlatte. Will the gentleman yield?

2166 Mr. Johnson. I will yield to Mr. Goodlatte.

2167 Mr. Goodlatte. I thank the gentleman.

2168 First of all, no one over here said that that those

2169 people don't pay taxes. We said they don't pay income
2170 taxes, number one.

2171 Number two, the point is that we can have a fair tax
2172 code. Nobody disagrees with you on that either. In fact, I
2173 have a bill to scrap this entire current tax code and
2174 replace it with another one.

2175 Mr. Johnson. Reclaiming my time.

2176 Mr. Conyers. Would the gentleman yield?

2177 Mr. Johnson. I will yield to Mr. Scott.

2178 Mr. Scott. Thank you. I thank the gentleman for
2179 yielding.

2180 A lot has been made about my comment about the title.
2181 The title of the resolution is "Proposing a Balanced Budget
2182 Amendment to the Constitution of the United States." The
2183 fact of the matter is that this would have nothing to do
2184 with balancing a budget. It will only say that we need
2185 three-fifths to pass any budget that we considered, whether
2186 it was a good budget, bad budget, deficit reduction, deficit
2187 increasing, and there has been nothing said about why it is
2188 more probable that we would pass a fiscally responsible
2189 budget than a fiscally irresponsible budget if you needed 60
2190 percent. We did get 60 percent last December to pass \$800
2191 billion in tax cuts, putting us \$800 billion further in the
2192 ditch. We got 60 percent for that. But try to find 60
2193 percent for a real serious deficit reduction plan that is

2194 going to cost a lot of people their seats. It cannot be
2195 more helpful to balancing a budget to require a three-fifths
2196 vote.

2197 Mr. Johnson. Reclaiming my time. I will yield to Mr.
2198 Conyers.

2199 Mr. Conyers. Thank you very much.

2200 I just want to make our colleague from Florida, Jim
2201 Jordan, feel more comfortable about this discussion because
2202 he apparently does not know that you can lower taxes now
2203 with a simple majority and that you would not be able to do
2204 it with this resolution. Does that make you feel better?

2205 Mr. Johnson. Reclaiming my time. And also, as we
2206 would be enshrining the tax breaks for the oil companies and
2207 the other corporations and the wealthy, we would also be
2208 enshrining the tax responsibilities of working people. We
2209 would enshrine that in stone if we adopt this balanced
2210 budget amendment and just protect the status quo. And the
2211 status quo needs to change.

2212 Mr. Jordan. Will the gentleman yield?

2213 Mr. Johnson. I will yield.

2214 Mr. Jordan. Remember, it is a super majority to raise
2215 taxes. To lower taxes, it takes a simple majority. So the
2216 ranking member, who I have all due respect for, had it
2217 backwards. It is still going to be a simple majority to
2218 lower the tax burden on the families the gentleman from

2219 Florida pointed out, which I would support doing.

2220 Mr. Johnson. Reclaiming my time. What you want to do
2221 is to leave the middle class and working people on the hook
2222 for paying all of the taxes, for providing all of the
2223 revenue that the U.S. Government uses while you exempt big
2224 business from having to pay any taxes whatsoever. I think
2225 that is obscene. I think it needs to change. This will
2226 just make it a constitutional requirement that you get a
2227 super majority in order to fix this problem that we face, us
2228 middle class people. I know that many of our members on the
2229 other side are actually millionaires and some perhaps multi-
2230 millionaires. But for the working people of this country,
2231 the current tax system does not work.

2232 Chairman Smith. The gentleman's time has expired.

2233 The gentleman from Arkansas, Mr. Griffin, is
2234 recognized.

2235 Mr. Griffin. Thank you, Mr. Chairman.

2236 I just want to clarify a few things here.

2237 First of all, it looks like we have a situation where
2238 we are the only ones with a plan. I think if you look at
2239 the budget we passed, it contemplates changing the way
2240 businesses are taxed and the way individuals are taxed. I
2241 am sure you have spent a lot of time reading the House
2242 budget.

2243 Mr. Johnson. Would the gentleman yield?

2244 Mr. Griffin. I will not yield. Just hang on a
2245 second, please.

2246 So what our budget does -- because I agree with the
2247 gentleman from Florida that there needs to be more fairness
2248 and there needs to be a flatter, fairer tax code. The House
2249 budget closes a lot of these loopholes, exemptions, credits,
2250 and what have you, and it makes it a flatter, fairer system.
2251 That is in our budget. I would commend it to you.

2252 Secondly, the gentleman from North Carolina can
2253 dislike super majorities. That is fine. That is his right.
2254 But he can't act as if they haven't played a major role in
2255 our system. I just got through flipping through all the
2256 instances in the Constitution, and super majorities are all
2257 throughout the Constitution, Article IV, Twentieth
2258 Amendment, Twenty-Second Amendment, Fourteenth Amendment,
2259 Twelfth Amendment, and there is many, many more. So you can
2260 dislike them, but the idea that they are somehow un-American
2261 is nonsense.

2262 On the issue of super majority to raise taxes, coming
2263 from Arkansas, a State that has fared pretty well in these
2264 tough economic times, I can tell you that I understand it is
2265 a State. It is not the Federal Government, but we have been
2266 served very, very well by our balanced budget amendment, or
2267 the equivalent of that, and it does take a super majority in
2268 our State to raise taxes. If you talk to President Clinton,

2269 a Democrat, Governor Beebe, a Democrat, and the many other
2270 Democrats who have put this stuff in place in Arkansas, they
2271 will tell you that it has been quite effective at
2272 distinguishing Arkansas' economic record from States like
2273 Illinois and California and many other States who have not
2274 been so responsible.

2275 Now, I heard earlier Mr. Nadler indicated that
2276 sometimes we need to spend more and borrow and in other
2277 times we don't. The problem here is that we have always
2278 borrowed regardless of how well this country is doing.
2279 Ultimately, yes, we have a spending problem, but the root of
2280 the spending problem is a discipline problem. It is a
2281 discipline problem, and giving us more money does not
2282 address the discipline problem.

2283 It is unfortunate that we need a balanced budget
2284 amendment because people have refused to take the tough
2285 decisions. It is unfortunate. But all we need to do is
2286 look at our history and it is very clear that there is no
2287 abundance of discipline when it comes to spending in this
2288 body. And that is why we are going this. We are doing this
2289 because we have been unable to impose discipline on
2290 ourselves, and so we are doing it through this amendment.

2291 Mr. Johnson. Would the gentleman yield?

2292 Mr. Griffin. I will yield.

2293 Mr. Johnson. I find it perplexing that for 235 years

2294 this Nation has become such a great Nation and we want to
2295 change the way that we handle this Nation's budget with this
2296 constitutional amendment, a radical proposal that ties the
2297 hands of --

2298 Mr. Griffin. Reclaiming my time, Mr. Chairman.

2299 Mr. Johnson. I find it perplexing that we are
2300 searching for a problem -- we are proposing a solution
2301 without a problem.

2302 Chairman Smith. The gentleman from Arkansas controls
2303 the time.

2304 Mr. Griffin. You can disagree with this but to call
2305 this radical is just nonsense. I am controlling the time.

2306 Mr. Johnson. Will the gentleman yield?

2307 Mr. Griffin. There are numerous States that have
2308 this. This is not a radical idea. It may be an idea that
2309 you hate, but it is not radical. That is the type of
2310 demagoguery that makes it so difficult to have a rational
2311 debate.

2312 Mr. Johnson. Would the gentleman yield?

2313 Mr. Griffin. I will not yield.

2314 But the problem here is --

2315 Mr. Johnson. Would the gentleman yield for a
2316 question?

2317 Chairman Smith. The gentleman's time has expired.

2318 Mr. Griffin. This has been extraordinarily effective

2319 for Arkansas.

2320 Chairman Smith. The gentleman's time has expired.

2321 Mr. Goodlatte. Mr. Chairman, I ask unanimous consent

2322 that the --

2323 Chairman Smith. Without objection, the gentleman from

2324 Arkansas is recognized for an additional minute.

2325 Mr. Griffin. And I yield to the gentleman from

2326 Virginia.

2327 Mr. Goodlatte. I thank the gentleman.

2328 And to address the point of the gentleman from

2329 Georgia, this is not a new idea. In fact, here is a quote

2330 from 1798. I wish it were possible to obtain a single

2331 amendment to our Constitution. I mean an additional article

2332 taking from the Federal Government the power of borrowing.

2333 Thomas Jefferson in a letter to John Tyler, 9 years after

2334 our Constitution went into effect.

2335 Mr. Johnson. Will the gentleman yield?

2336 Mr. Goodlatte. It is the gentleman from Arkansas'

2337 time.

2338 Chairman Smith. The gentleman from Arkansas has the

2339 time.

2340 Mr. Watt. Will the gentleman yield?

2341 Mr. Griffin. Yes.

2342 Mr. Watt. I appreciate the gentleman yielding.

2343 I just want to clarify one thing. The gentleman went

2344 through the exact same things that I had said in my
2345 statement about the super majority. I acknowledged that
2346 there were five times in the Constitution. Obviously, you
2347 weren't here to hear it, but to make it sound like I
2348 misrepresented the fact is just -- I would hope that the
2349 gentleman wouldn't continue misrepresenting that.

2350 Mr. Griffin. Reclaiming my time. I heard you say
2351 that. I just thought that your conclusion was wholly
2352 inconsistent with the predicate. You indicated that they
2353 are all there, but then you went on to say that they were
2354 not part of our history. They are part of our history, and
2355 they are there.

2356 Chairman Smith. The gentleman's time has expired.

2357 Does anyone else seek recognition? The gentlewoman
2358 from Texas, Ms. Jackson Lee.

2359 Ms. Jackson Lee. I thank you.

2360 First of all, I rise to support the amendment on the
2361 basis of the fact that revenues are raised to pay the
2362 country's bill. That is what the raising of the debt
2363 ceiling is, and this is simply suggesting that it is
2364 necessary to raise revenues even in spite of Thomas
2365 Jefferson who was dealing with a Nation that was a minute
2366 part of what it is today and did not have the vast
2367 responsibilities of what we have today, as well as the size
2368 of the Nation today.

2369 I would like first to yield a minute to Mr. Watt of
2370 North Carolina and then to yield to Mr. Conyers.

2371 Mr. Watt. I don't think I need an amendment -- a
2372 minute. The problem with what Jefferson was saying and the
2373 reason he couldn't get it through back then was that it was
2374 inconsistent with a democratic form of government.

2375 All five of these instances in the Constitution are
2376 for things that everybody back at that time agreed there
2377 needed to be a super majority for.

2378 But the argument I am making is that this is still
2379 inconsistent with democracy, which is at its base a majority
2380 rule form of government. And the reason Jefferson couldn't
2381 get it through back then was that they acknowledged and
2382 recognized that and that is the reason it is a terrible idea
2383 today, which is the same point I have been making the whole
2384 time. Regardless of the substance of where it comes out,
2385 for me to give to you more authority than I have myself is
2386 inconsistent with democracy.

2387 Mr. Jordan. Would the gentleman yield for a question?

2388 Ms. Jackson Lee. Reclaiming my time. I would like to
2389 yield to Mr. Conyers.

2390 Mr. Conyers. Thank you, Ms. Jackson Lee.

2391 I would like to address and agree with Jim Jordan, and
2392 I want the record to reflect that.

2393 Mr. Jordan. I always liked you, Mr. Ranking Member.

2394 Mr. Conyers. Because he correctly stated that under
2395 current law we could lower taxes of working people and that
2396 under the constitutional amendment under debate, we could
2397 also lower taxes. Do I have concurrence with you on that,
2398 sir?

2399 Mr. Jordan. Yes. We also want to make it more
2400 difficult to raise taxes on those very people.

2401 Mr. Conyers. Well, just a moment.

2402 The next thing I would like to seek your agreement on
2403 is that under the constitutional amendment, we would need a
2404 super majority to impose taxes on the 12 largest
2405 multinational corporations that do not pay taxes. Is that
2406 correct?

2407 Mr. Jordan. We could, under the proposal, change the
2408 tax code as long as it didn't raise revenue. As long as it
2409 didn't increase the tax burden, we could do that.

2410 Mr. Conyers. Is that a complicated way of saying yes?

2411 Mr. Jordan. No. That is an accurate way of saying
2412 what the bill does.

2413 Mr. Watt. Would the gentlelady yield?

2414 Mr. Conyers. I think we agree on my first
2415 proposition, but we don't agree on our second one.

2416 Mr. Jordan. Well, we would have to see how we would
2417 change the tax code before we could have agreement on the
2418 second.

2419 Mr. Conyers. Well, the tax code -- we can't raise the
2420 tax code without a super majority.

2421 Mr. Jordan. I understand that. That is a good thing.

2422 Mr. Watt. If the gentlelady will yield, I think I can
2423 clarify what Mr. Conyers --

2424 Chairman Smith. The gentlewoman from Texas controls
2425 the time.

2426 Ms. Jackson Lee. Reclaiming my time. I want to yield
2427 to you, Mr. Watt, but I want to yield to Mr. Scott as well.

2428 Mr. Watt. The point I want to make is that, yes, you
2429 can do this, but you would have to shift more of the tax
2430 burden onto poor people because you would be raising the
2431 taxes on rich people, and you couldn't increase revenue, so
2432 then you -- you know.

2433 Mr. Jordan. Would the gentleman yield for a question?

2434 Mr. Watt. There is no way to get there from here.

2435 Ms. Jackson Lee. I am reclaiming my time.

2436 Mr. Jordan, I will yield for your question, and then I
2437 would like to yield to Mr. Scott.

2438 Mr. Jordan. The gentleman from North Carolina has
2439 made a case for being against super majority requirements.
2440 But does the gentleman support the super majority
2441 requirement that is there to amend the Constitution? Do you
2442 support that super majority requirement? Because it takes a
2443 super majority of the Members of the House and the Senate to

2444 pass Mr. Goodlatte's amendment, and then it would take a
2445 super majority of the States to ratify the amendment. Does
2446 the gentleman support that?

2447 Mr. Watt. If gentlelady will yield so that I can
2448 answer that.

2449 Ms. Jackson Lee. I will yield so that the gentleman
2450 can answer the question.

2451 Mr. Watt. Probably had I been one of the Founding
2452 Fathers, I would have said that is inconsistent with
2453 democracy because democracy is about majority rule.

2454 Now, has it been enshrined in the Constitution for all
2455 these years? Yes, it has, and I acknowledge that. And I am
2456 not trying to change that. But for you to say it is not
2457 inconsistent with simple majority rule is not to understand
2458 math.

2459 Mr. Jordan. I didn't say that. I just asked the
2460 gentleman a question.

2461 Chairman Smith. The gentlewoman's time has expired.

2462 Ms. Jackson Lee. Mr. Chairman, I ask for an
2463 additional 1 minute.

2464 Chairman Smith. Without objection, the gentlewoman
2465 from Texas is recognized for an additional minute.

2466 Ms. Jackson Lee. I yield to the gentleman from
2467 Virginia, Mr. Scott.

2468 Mr. Scott. Thank you, and I thank you for yielding.

2469 I wanted to agree with the gentleman from Arkansas who
2470 suggested that more discipline is needed around here, and I
2471 think you need to point out that it is the Republicans that
2472 need that discipline. In 1993, when Democrats were in
2473 charged, we passed a budget using our discipline that was on
2474 the way to paying off the national debt by 2001.

2475 In 2001, the estimate was it would take about 8 more
2476 years to pay off the entire national debt held by the
2477 public. Right after that, the Republicans came in without
2478 any discipline, passed two tax cuts without paying for them,
2479 fought two wars without paying for them, passed the
2480 prescription drug benefit without paying for it. And now we
2481 are asking for discipline. We needed some discipline when
2482 you are in charge.

2483 Now you have offered this legislation, and the
2484 legislation does not include any discipline. If a small
2485 majority, 41 percent of Republicans, insisted that we can
2486 continue their tax cuts, wars not paid for, prescription
2487 drugs not paid for, they would be in a position to block any
2488 budget that we are actually considering.

2489 The question that this amendment draws is why is it
2490 more likely that we --

2491 Chairman Smith. The gentlewoman's time --

2492 Mr. Scott. Just 15 more seconds.

2493 Ms. Jackson Lee. I ask for an additional 15 more

2494 seconds for the gentleman.

2495 Mr. Scott. Why is it more likely --

2496 Chairman Smith. He was going to get that anyway.

2497 Mr. Scott. Why is it more likely that a three-fifths
2498 requirement would push us towards fiscal responsibility than
2499 holding out for more fiscal irresponsibility? That is the
2500 question that this amendment -- most people I think would
2501 say if you need a three-fifths vote to pass a tough budget,
2502 it will be harder to pass that budget and not easy.

2503 Chairman Smith. The gentlewoman's time has expired.

2504 The question is on the amendment. Those in favor, say
2505 aye.

2506 [Chorus of ayes.]

2507 Chairman Smith. Those opposed, no.

2508 [Chorus of nays.]

2509 Chairman Smith. In the opinion of the chair, the noes
2510 have it and the amendment is not agreed to.

2511 Mr. Scott is recognized for his next amendment.

2512 Oh, the gentleman requested a recorded vote. The
2513 clerk will call the roll.

2514 Ms. Kish. Mr. Smith?

2515 Chairman Smith. No.

2516 Ms. Kish. Mr. Smith votes no.

2517 Mr. Sensenbrenner?

2518 [No response.]

2519 Ms. Kish. Mr. Coble?
2520 Mr. Coble. No.
2521 Ms. Kish. Mr. Coble votes no.
2522 Mr. Gallegly?
2523 [No response.]
2524 Ms. Kish. Mr. Goodlatte?
2525 Mr. Goodlatte. No.
2526 Ms. Kish. Mr. Goodlatte votes no.
2527 Mr. Lungren?
2528 Mr. Lungren. No.
2529 Ms. Kish. Mr. Lungren votes no.
2530 Mr. Chabot?
2531 Mr. Chabot. No.
2532 Ms. Kish. Mr. Chabot votes no.
2533 Mr. Issa?
2534 [No response.]
2535 Ms. Kish. Mr. Pence?
2536 [No response.]
2537 Ms. Kish. Mr. Forbes?
2538 Mr. Forbes. No.
2539 Ms. Kish. Mr. Forbes votes no.
2540 Mr. King?
2541 [No response.]
2542 Ms. Kish. Mr. Franks?
2543 Mr. Franks. No.

2544 Ms. Kish. Mr. Franks votes no.
2545 Mr. Gohmert?
2546 [No response.]
2547 Ms. Kish. Mr. Jordan?
2548 Mr. Jordan. No.
2549 Ms. Kish. Mr. Jordan votes no.
2550 Mr. Poe?
2551 [No response.]
2552 Ms. Kish. Mr. Chaffetz?
2553 [No response.]
2554 Ms. Kish. Mr. Griffin?
2555 [No response.]
2556 Ms. Kish. Mr. Marino?
2557 Mr. Marino. No.
2558 Ms. Kish. Mr. Marino votes no.
2559 Mr. Gowdy?
2560 Mr. Gowdy. No.
2561 Ms. Kish. Mr. Gowdy votes no.
2562 Mr. Ross?
2563 Mr. Ross. No.
2564 Ms. Kish. Mr. Ross votes no.
2565 Ms. Adams?
2566 Ms. Adams. No.
2567 Ms. Kish. Ms. Adams votes no.
2568 Mr. Quayle?

2569 Mr. Quayle. No.

2570 Ms. Kish. Mr. Quayle votes no.

2571 Mr. Conyers?

2572 Mr. Conyers. Aye.

2573 Ms. Kish. Mr. Conyers votes aye.

2574 Mr. Berman?

2575 [No response.]

2576 Ms. Kish. Mr. Nadler?

2577 [No response.]

2578 Ms. Kish. Mr. Scott?

2579 Mr. Scott. Aye.

2580 Ms. Kish. Mr. Scott votes aye.

2581 Mr. Watt?

2582 Mr. Watt. Aye.

2583 Ms. Kish. Mr. Watt votes aye.

2584 Ms. Lofgren?

2585 [No response.]

2586 Ms. Kish. Ms. Jackson Lee?

2587 Ms. Jackson Lee. Aye.

2588 Ms. Kish. Ms. Jackson Lee votes aye.

2589 Ms. Waters?

2590 [No response.]

2591 Ms. Kish. Mr. Cohen?

2592 [No response.]

2593 Ms. Kish. Mr. Johnson?

2594 Mr. Johnson. Aye.

2595 Ms. Kish. Mr. Johnson votes aye.

2596 Mr. Pierluisi?

2597 [No response.]

2598 Ms. Kish. Mr. Quigley?

2599 [No response.]

2600 Ms. Kish. Ms. Chu?

2601 Ms. Chu. Aye.

2602 Ms. Kish. Ms. Chu votes aye.

2603 Mr. Deutch?

2604 Mr. Deutch. Aye.

2605 Ms. Kish. Mr. Deutch votes aye.

2606 Ms. Sanchez?

2607 [No response.]

2608 Ms. Kish. Mr. Sensenbrenner?

2609 Mr. Sensenbrenner. No.

2610 Ms. Kish. Mr. Sensenbrenner votes no.

2611 Mr. King?

2612 Mr. King. No.

2613 Ms. Kish. Mr. King votes no.

2614 Chairman Smith. Is there anyone else who wishes to

2615 vote?

2616 [No response.]

2617 Chairman Smith. If not, the clerk will report.

2618 Ms. Kish. Mr. Chairman, 7 members voted aye; 15

2619 members voted nay.

2620 Chairman Smith. The majority having voted against the
2621 amendment, the amendment is not agreed to.

2622 I am afraid the vote is closed on this one.

2623 Mr. Scott. Mr. Chairman, I ask unanimous consent that
2624 the gentleman from Arkansas be --

2625 Chairman Smith. Without objection, the gentleman from
2626 Arkansas is recognized to ask how he is recorded.

2627 Ms. Kish. Mr. Griffin votes no.

2628 Chairman Smith. And the clerk will report.

2629 Ms. Kish. Mr. Chairman, 7 members voted aye; 16
2630 members voted nay.

2631 Chairman Smith. The majority having voted against the
2632 amendment, the amendment is not agreed to.

2633 And Mr. Scott is recognized to offer another
2634 amendment.

2635 Mr. Scott. Mr. Chairman, this is titled Nadler 15.
2636 It is number 11 on the list.

2637 Ms. Kish. "Amendment to H.J.Res. 1 offered by Mr.
2638 Scott. Page 2, strike lines 21 through 24 and redesignate
2639 succeeding sections accordingly."

2640 [The information follows:]

2641

2642 Chairman Smith. The gentleman from Virginia, Mr.
2643 Scott, is recognized to explain his amendment.

2644 Mr. Scott. Mr. Chairman, this amendment strikes the
2645 provision requiring a three-fifths vote to raise the debt
2646 ceiling.

2647 Mr. Chairman, this recognizes the fact that we operate
2648 around here sequentially. We first pass the budget. Then
2649 we pass appropriations. And then when the debt ceiling is
2650 reached because of prior actions, we must increase the debt
2651 ceiling. Everybody recognizes that the debt ceiling must be
2652 increased in order to avoid dire economic consequences. The
2653 question is what effect would increasing the vote for the
2654 debt ceiling increased to three-fifths affect the budget
2655 process.

2656 First of all, it will increase the chance that we will
2657 end up in gridlock and it empowers the minority to hold our
2658 economy hostage unless they get their way. So the
2659 suggestion is that people will hold the economy hostage for
2660 fiscally responsible reasons. There is nothing in here that
2661 says you can't hold the economy hostage unless you have more
2662 spending or unless you have tax cuts, which would make the
2663 budget worse. So in light of the fact that all this would
2664 do would be to create gridlock, confusion, and more likely
2665 than not increased spending and/or more tax cuts -- if you
2666 want bipartisanship around here, you put some tax cuts in a

2667 bill and some more spending in a bill, and everybody will
2668 smile. It doesn't do much for the budget's bottom line, but
2669 it is great for bipartisan relationships around here. That
2670 is how you would get to 60 percent.

2671 I think this would actually make things worse. There
2672 is no suggestion that a three-fifths majority will make it
2673 more likely that we would be fiscally responsible, and in
2674 fact, it would make it very likely that people would hold
2675 out for more tax cuts or more spending or disaster relief,
2676 since that is the next thing we are having trouble trying to
2677 fund. People will say unless I get disaster relief, I can't
2678 vote for the debt ceiling increase. All of which would make
2679 matters worse.

2680 So I would hope that we would recognize that the debt
2681 ceiling increase is only a recognition of prior actions and
2682 not something that will help the budget. In fact, it might
2683 make it worse.

2684 And I yield back.

2685 Chairman Smith. Thank you, Mr. Scott.

2686 The gentleman from Virginia, Mr. Goodlatte, is
2687 recognized.

2688 Mr. Goodlatte. Thank you, Mr. Chairman. I rise in
2689 opposition to the amendment.

2690 This again is an amendment we have already debated as
2691 a part of a combined amendment earlier. It eviscerates the

2692 intent, purpose, and effectiveness of the constitutional
2693 amendment. It provides no real reform or effective way to
2694 curtail Congress' inability and unwillingness to discontinue
2695 a pattern of borrowing. And increasing the debt is a
2696 decision that Congress should take seriously and removing
2697 the three-fifths majority requirement runs afoul of that
2698 notion.

2699 The three-fifths majority requirement creates an
2700 additional deterrent effect to prevent Congress from
2701 spending more than it takes in. And in fact, since there is
2702 the ability to waive the constitutional amendment under
2703 certain circumstances by a super majority vote, you have to
2704 have a companion limitation on the ability to borrow money
2705 to go with that. Otherwise, this would be viewed as a
2706 loophole in the constitutional amendment.

2707 I urge my colleagues to oppose the amendment.

2708 Chairman Smith. Thank you, Mr. Goodlatte.

2709 Mr. Watt. Mr. Chairman?

2710 Chairman Smith. The gentleman from North Carolina,
2711 Mr. Watt, is recognized.

2712 Mr. Watt. Mr. Chairman, I think you all can either
2713 give me unanimous consent to incorporate my prior comments,
2714 or I can restate them.

2715 Chairman Smith. We will do that unanimously, Mr.

2716 Watt.

2717 Mr. Watt. Okay. Well, in that case, I ask unanimous
2718 consent to incorporate my prior comments on the amendment
2719 that I offered and my prior comments on the amendment that
2720 Mr. Scott offered previously striking this super majority
2721 requirement. That way you won't have to hear those
2722 arguments again. Can I just incorporate them in the record?

2723 Chairman Smith. You can without unanimous consent,
2724 and they will be so incorporated.

2725 Mr. Watt. All right. I yield back.

2726 Chairman Smith. Thank you, Mr. Watt.

2727 Other members who seek to be recognized? The
2728 gentleman from Georgia, Mr. Johnson.

2729 Mr. Johnson. Thank you, Mr. Chairman.

2730 I wonder if there is anybody in this room who would
2731 care to raise their right hand and look into the camera and
2732 say that this balanced budget amendment will not force
2733 enormous cuts in Medicare, Medicaid, and Social Security.
2734 Is there anyone willing to do that?

2735 Mr. Franks. Mr. Chairman, I would be willing to
2736 suggest potential wording. I believe this balanced budget
2737 amendment, Mr. Chairman, will cause a major increase in the
2738 economic base in this country and cause additional revenues
2739 that we would not have otherwise --

2740 Mr. Johnson. Reclaiming my time.

2741 Mr. Franks. We will be at least able to sustain --

2742 Mr. Johnson. You didn't answer my question. Is there
2743 any one --

2744 Mr. Franks. The answer is yes.

2745 Mr. Johnson. Is there anyone in this room other than
2746 Mr. Franks --

2747 [Laughter.]

2748 Mr. Johnson. -- who will hold up his hand. Mr.
2749 Franks is doing it. Let's see you do it. And you will
2750 swear that this balanced budget amendment will not force
2751 enormous cuts in Medicare and Medicaid and Social Security.
2752 Is that what you are saying?

2753 Mr. Franks. I solemnly swear it is my opinion that
2754 this amendment will not reduce the revenue in this country
2755 to force the --

2756 Mr. Johnson. You are rewording my question. I know
2757 you don't want to answer.

2758 Mr. Franks. There are those who don't know and those
2759 who don't know they don't know. I so swear.

2760 Mr. Johnson. I know you don't want to answer my
2761 question squarely. And I will put it to you that this
2762 balanced budget amendment -- and I know it, you know it, and
2763 the American people will soon know it that passage of this
2764 balanced budget amendment will result in enormous cuts to
2765 Medicare, to Medicaid, to Social Security. And in fact, an
2766 amendment to this balanced budget amendment was offered by

2767 Mr. Conyers yesterday to exempt Medicare from the balanced
2768 budget calculations, and that amendment was rejected by the
2769 majority. I think it is clear to me and perhaps clear to
2770 many others that the real agenda for my colleagues on the
2771 other side is to cut and change Medicare into a voucher
2772 program.

2773 I will yield to Mr. Scott.

2774 Mr. Scott. I would say to the gentleman that his
2775 comments assume that this will actually result or even go
2776 towards a balanced budget by requiring a 60 percent vote to
2777 pass a budget, even a strong deficit reduction plan. You
2778 make it much less likely that anybody is going to be
2779 fiscally responsible. Everybody knows the scene when you
2780 get close to the last couple of votes you need to pass a
2781 budget. What happens? People hold out for more spending or
2782 hold out for other goodies. And you just increase the
2783 number of people you got to buy off to get to the final
2784 passage.

2785 It is likely that Medicare will be protected because
2786 you are going to have tax cuts, more spending, and
2787 everything irresponsible because of the requirement of a
2788 three-fifths vote to pass the budget.

2789 Mr. Johnson. I reclaim my time, and I would respond
2790 that I see no inclination on the part of the other side to
2791 protect seniors and to protect Medicare. In fact, their

2792 budget that they have offered which they exalt upon
2793 recommends replacing Medicare as we know it with a voucher
2794 program. And so I don't think that it is likely that my
2795 colleagues on the other side of the aisle will actually look
2796 to protect Medicare at any time. Their intent is to change
2797 it. It is to eviscerate it, defund it, and wash their hands
2798 of this protection for our seniors.

2799 Mr. Franks. Would the gentleman yield?

2800 Chairman Smith. Who seeks recognition? The gentleman
2801 from Arizona, Mr. Franks.

2802 Mr. Franks. Will the gentleman yield?

2803 Just briefly, Mr. Chairman, I would just suggest that
2804 Mr. Scott's comments related to saying that this would make
2805 a balanced budget more difficult to pass, we have a balanced
2806 budget amendment in Arizona, and it actually does not play
2807 out as you suggest. It is a lot easier to pass. In fact,
2808 we do that. And I also in my district have one of the
2809 largest concentrations of senior citizens anywhere in
2810 America, and one of the reasons for that is because they
2811 come to Arizona because of the sound fiscal development that
2812 is there and they come there because they do better there.
2813 This has been a good thing for senior citizens.

2814 Mr. Johnson. Reclaiming my time.

2815 Chairman Smith. The gentleman's time has expired.

2816 Ms. Jackson Lee. Mr. Chairman?

2817 Chairman Smith. The gentlewoman from Texas I thought
2818 had already been recognized. I could be wrong.

2819 Ms. Jackson Lee. No. That was on another amendment.

2820 Chairman Smith. Are there any other members who wish
2821 to be recognized?

2822 [No response.]

2823 Chairman Smith. If not, the question is on the
2824 amendment. Those in favor, say aye.

2825 Ms. Jackson Lee. Was I recognized on this one? Mr.
2826 Chairman, not on this amendment.

2827 Chairman Smith. I am sorry. I stand corrected. If
2828 the gentlewoman has not been recognized, she is recognized
2829 now.

2830 Ms. Jackson Lee. Well, thank you very much, Mr.
2831 Chairman.

2832 I would like to affirm Mr. Johnson in the affirmative
2833 and restrain from -- in the courts of law, you can -- an
2834 oath you can affirm. But I affirm that this balanced budget
2835 amendment will destroy Social Security as we know it and
2836 destroy Medicare as we know it.

2837 And I believe the simplicity of the Scott amendment is
2838 to acknowledge that, one, the responsibilities of this
2839 Nation really bear down on the constitutional rights that
2840 citizens have to be protected by due process and be
2841 protected in their homes. And frankly, I think when we fail

2842 to be able to pay our bills, which I want to say over and
2843 over again, revenue, debt limits have to do with paying our
2844 bills. It does not equate to the spending. It equates to
2845 paying bills that exist.

2846 And so I would hope that we recognize that the Scott
2847 amendment is valid. The balanced budget amendment, which
2848 has not been passed, recognizes that the responsibilities of
2849 the United States and the constitutional responsibilities
2850 bear down heavily on a balanced budget amendment for the
2851 United States of America.

2852 I yield to the gentleman from Virginia.

2853 Mr. Scott. I thank the gentlelady for yielding so I
2854 can respond to the gentleman from Arizona who talked about
2855 the balanced budget in Arizona. Most States have a capital
2856 expense where they can borrow for capital expenses. That is
2857 not allowed in here. And the gentleman didn't indicate how
2858 much money he got during -- how much Arizona got during the
2859 recession from the Federal stimulus money, which was allowed
2860 because we do not have a balanced budget, and we can spend a
2861 little more during a recession. It is countercyclical.

2862 In response to the gentleman from Georgia, if there is
2863 a crunch and you are down to the last few dollars and you
2864 are trying to save Medicare, the fact is that under the
2865 legislation, you can't save Medicare with taxes unless you
2866 come up with 60 percent to raise taxes to save it, but you

2867 can kill Medicare on a simple majority. In fact, if you are
2868 under a crunch in a debt ceiling, 41 percent, a simple
2869 majority, in either the House or the Senate are empowered to
2870 kill Medicare by refusing to vote for the debt ceiling
2871 increase that everybody knows must pass. You are empowering
2872 them to hold out those votes on the must-pass bill unless we
2873 repeal Medicare. I don't want to empower those that want to
2874 kill Medicare with that additional weapon against the
2875 program.

2876 That is why we need to repeal the three-fifths
2877 majority for the debt ceiling because everybody knows that
2878 it has to be increased not as a result of anything we are
2879 doing that day, but just recognizing what we have done in
2880 the past in budgets and appropriations that have already
2881 been voted on. The debt ceiling increase only recognizes
2882 and must pass to avoid economic calamity.

2883 Ms. Jackson Lee. Reclaiming my time. Correctly it is
2884 the bills that exist that we must pay.

2885 I am happy to yield to the ranking member, Mr.
2886 Conyers.

2887 Mr. Conyers. Thank you, Ms. Jackson Lee.

2888 I support the amendment that has been offered by Mr.
2889 Scott because Moody's, the premier or one of the premier
2890 credit rating agents, have already said that they are
2891 issuing a warning on the downgrade of the credit rating of

2892 the United States of America. And why? Because the
2893 mounting debate over whether we should lift the credit
2894 ceiling or not is already bothering, Mr. Jordan, the
2895 investors on Wall Street, and they are issuing that warning.
2896 Now, this is with a simple majority which is the law now.

2897 Can you absorb what may happen on Wall Street if we in
2898 this committee pass this constitutional resolution which
2899 would require a super majority to raise the debt ceiling?
2900 And I yield to my friend.

2901 Mr. Jordan. Well, I thank the gentleman for yielding.

2902 I think what is bothering investors is what is
2903 bothering Standard and Poor's who has already downgraded our
2904 outlook -- our credit rating to negative. What Moody's is
2905 talking about is the record level of spending and the huge
2906 deficits and the piling up of debt. That is a concern not
2907 only to investors on Wall Street and investors all across
2908 this country but to every single American. That is what our
2909 bill is all about. That is the real concern out there. And
2910 that is I think the bigger concern than this debt ceiling on
2911 the short term.

2912 Mr. Conyers. Could I present you with the comments of
2913 Moody's which kind of differs from yours?

2914 Mr. Jordan. I have read the comments from Moody's,
2915 and Moody's also suggests that we cut spending if, in fact,
2916 there is going to be a debt ceiling extension.

2917 Chairman Smith. The gentlewoman's time has expired.
2918 The question is on the amendment. Those in favor, say
2919 aye.
2920 [Chorus of ayes.]
2921 Chairman Smith. Opposed, no.
2922 [Chorus of nays.]
2923 Chairman Smith. In the opinion of the chair, the noes
2924 have it, and the amendment is not agreed to.
2925 Mr. Conyers. Record vote, Mr. Chairman.
2926 Chairman Smith. And a record vote has been requested,
2927 and the clerk will call the roll.
2928 Ms. Kish. Mr. Smith?
2929 Chairman Smith. No.
2930 Ms. Kish. Mr. Smith votes no.
2931 Mr. Sensenbrenner?
2932 [No response.]
2933 Ms. Kish. Mr. Coble?
2934 Mr. Coble. No.
2935 Ms. Kish. Mr. Coble votes no.
2936 Mr. Gallegly?
2937 [No response.]
2938 Ms. Kish. Mr. Goodlatte?
2939 Mr. Goodlatte. No.
2940 Ms. Kish. Mr. Goodlatte votes no.
2941 Mr. Lungren?

2942 Mr. Lungren. No.

2943 Ms. Kish. Mr. Lungren votes no.

2944 Mr. Chabot?

2945 Mr. Chabot. No.

2946 Ms. Kish. Mr. Chabot votes no.

2947 Mr. Issa?

2948 Mr. Issa. No.

2949 Ms. Kish. Mr. Issa votes no.

2950 Mr. Pence?

2951 [No response.]

2952 Ms. Kish. Mr. Forbes?

2953 Mr. Forbes. No.

2954 Ms. Kish. Mr. Forbes votes no.

2955 Mr. King?

2956 Mr. King. No.

2957 Ms. Kish. Mr. King votes no.

2958 Mr. Franks?

2959 Mr. Franks. No.

2960 Ms. Kish. Mr. Franks votes no.

2961 Mr. Gohmert?

2962 [No response.]

2963 Ms. Kish. Mr. Jordan?

2964 Mr. Jordan. No.

2965 Ms. Kish. Mr. Jordan votes no.

2966 Mr. Poe?

2967 [No response.]
2968 Ms. Kish. Mr. Chaffetz?
2969 [No response.]
2970 Ms. Kish. Mr. Griffin?
2971 Mr. Griffin. No.
2972 Ms. Kish. Mr. Griffin votes no.
2973 Mr. Marino?
2974 Mr. Marino. No.
2975 Ms. Kish. Mr. Marino votes no.
2976 Mr. Gowdy?
2977 Mr. Gowdy. No.
2978 Ms. Kish. Mr. Gowdy votes no.
2979 Mr. Ross?
2980 Mr. Ross. No.
2981 Ms. Kish. Mr. Ross votes no.
2982 Ms. Adams?
2983 Ms. Adams. No.
2984 Ms. Kish. Ms. Adams votes no.
2985 Mr. Quayle?
2986 Mr. Quayle. No.
2987 Ms. Kish. Mr. Quayle votes no.
2988 Mr. Conyers?
2989 Mr. Conyers. Aye.
2990 Ms. Kish. Mr. Conyers votes aye.
2991 Mr. Berman?

2992 [No response.]

2993 Ms. Kish. Mr. Nadler?

2994 [No response.]

2995 Ms. Kish. Mr. Scott?

2996 Mr. Scott. Aye.

2997 Ms. Kish. Mr. Scott votes aye.

2998 Mr. Watt?

2999 Mr. Watt. Aye.

3000 Ms. Kish. Mr. Watt votes aye.

3001 Ms. Lofgren?

3002 [No response.]

3003 Ms. Kish. Ms. Jackson Lee?

3004 Ms. Jackson Lee. Aye.

3005 Ms. Kish. Ms. Jackson Lee votes aye.

3006 Ms. Waters?

3007 [No response.]

3008 Ms. Kish. Mr. Cohen?

3009 [No response.]

3010 Ms. Kish. Mr. Johnson?

3011 Mr. Johnson. Aye.

3012 Ms. Kish. Mr. Johnson votes aye.

3013 Mr. Pierluisi?

3014 [No response.]

3015 Ms. Kish. Mr. Quigley?

3016 [No response.]

3017 Ms. Kish. Ms. Chu?
3018 Ms. Chu. Aye.
3019 Ms. Kish. Ms. Chu votes aye.
3020 Mr. Deutch?
3021 Mr. Deutch. Aye.
3022 Ms. Kish. Mr. Deutch votes aye.
3023 Ms. Sanchez?
3024 [No response.]
3025 Ms. Kish. Mr. Sensenbrenner?
3026 Mr. Sensenbrenner. No.
3027 Ms. Kish. Mr. Sensenbrenner votes no.
3028 Chairman Smith. Are there any other members who wish
3029 to be recorded?
3030 [No response.]
3031 Chairman Smith. If not, the clerk will report.
3032 Ms. Kish. Mr. Chairman, 7 members voted aye; 17
3033 members voted nay.
3034 Chairman Smith. The majority having voted against the
3035 amendment, the amendment is not agreed to.
3036 Ms. Jackson Lee. Mr. Chairman?
3037 Chairman Smith. We will now go to the gentlewoman
3038 from Texas, Ms. Jackson Lee, and she is recognized to offer
3039 an amendment.
3040 Ms. Jackson Lee. Thank you, Mr. Chairman. I have
3041 amendment number 390.

3042 Chairman Smith. The clerk will report the amendment.

3043 Ms. Kish. "Amendment to H.J.Res.1 offered by Ms.

3044 Jackson Lee."

3045 Chairman Smith. Without objection, the amendment will

3046 be considered as read.

3047 [The information follows:]

3048

3049 Chairman Smith. And the gentlewoman is recognized to
3050 explain her amendment.

3051 Ms. Jackson Lee. Thank you very much.

3052 Members, let me be very clear that this is not a call
3053 for battle, but it is a recognition of the consistent point
3054 that I have been making that we live in a different world
3055 from Thomas Jefferson not on the principles of democracy,
3056 but on the vastness of this Nation, the statutory authority
3057 that has been granted, the number of international
3058 organizations, such as the United Nations, NATO, and other
3059 obligations that the United States has.

3060 In the provision that is allegedly tied to military
3061 action which, by the way, I adhere to the responsibilities
3062 of Congress to declare war, it indicates that it would waive
3063 the provisions of this article for any fiscal year in which
3064 a declaration of war is in effect. It is interesting that
3065 we have not had declarations of war, and we have seen the
3066 horrific actions in Iraq and Afghanistan. But there are
3067 other military conflicts that I would like to cite.

3068 The provisions of the bill also say that you may waive
3069 for any fiscal year in which the United States is engaged in
3070 military conflict that causes an imminent and serious
3071 military threat by declared joint resolution.

3072 Well, my colleagues, we have been derelict in
3073 declaring resolutions. It is unfortunate. It is life. It

3074 is what I don't agree with, but that is what happened.

3075 So, for example, if a conflict arises on the DMZ, on
3076 the demilitarized zone in Korea, what then is the
3077 opportunity if expenses arise for an immediate response?

3078 There is none. This bill does not allow it. There is a
3079 balanced budget amendment. Nothing will happen.

3080 A crisis ensues. We take money out of Social
3081 Security. We take money out of Medicare. And Medicare and
3082 Social security, as we know it, collapses. Why? Because we
3083 indicate that we have to pay for the expenses of our
3084 military who are overseas.

3085 So I believe that this is not a complete waiver. It
3086 fails in its protection of the United States military. I
3087 ask my colleagues to consider this not on the basis of
3088 promoting war, but on the basis of being realistic in how
3089 this country works. And I ask my colleagues to support an
3090 amendment that, in fact, provides the necessary
3091 responsibility that occurs with respect to the United States
3092 military. In essence, they could be left high and dry while
3093 Members debate or don't debate on the floor of the House on
3094 the word "imminent." In fact, or they could be in conflict.
3095 Why? Because if they are on the DMZ, it is a possibility
3096 that they could be offensively attacked, and the call for
3097 war delayed, if you will, the declaration, if in fact that
3098 even occurs.

3099 So I ask my colleagues to support this amendment, to
3100 protect the 200,000 veterans of military service who live
3101 and work in my own city but those millions around the Nation
3102 and, of course, the thousands of soldiers that come home as
3103 well because this also covers the concept, if you will, of
3104 dealing with those who are in military conflicts and then
3105 return back to the United States. I ask my colleagues to
3106 support this amendment.

3107 Chairman Smith. Thank you, Ms. Jackson Lee.

3108 The gentleman from Virginia, Mr. Goodlatte, is
3109 recognized.

3110 Mr. Goodlatte. Thank you, Mr. Chairman.

3111 This amendment would allow Congress to waive the
3112 requirements of the balanced budget amendment for any fiscal
3113 year in, quote, which the United States is engaged in the
3114 use of the military force. End quote. This amendment would
3115 gut the balanced budget amendment.

3116 Even a cursory review of U.S. military operations
3117 quickly demonstrates that for every fiscal year in recent
3118 memory, the United States has engaged in the use of military
3119 force, from conducting bombing strikes in Libya in 1986 to
3120 invading Panama in 1989, to wars in Iraq and Afghanistan.
3121 We would be hard-pressed to find a fiscal year in which some
3122 use of military force, no matter how slight did not occur.

3123 Simply put, if we adopt this amendment, the balanced

3124 budget amendment will be meaningless. I oppose the
3125 amendment for that reason and for the reason that we as a
3126 Congress need to take into account in all the decisions we
3127 make how we set our priorities, and a balanced budget
3128 amendment forces the Congress to do that. Would it change
3129 some of the decisions that we make regarding military
3130 engagements? Possibly so.

3131 And there is an exception for a declaration of war and
3132 an exception for a vote by a three-fifths majority to waive
3133 the requirement that we balance the budget if the Congress,
3134 in a bipartisan fashion, determines that we need to do so.

3135 But to adopt an amendment that simply says that any
3136 use of military force would waive the requirement to balance
3137 the budget in that year would, indeed, gut the balanced
3138 budget amendment.

3139 Mr. Johnson. Would the gentleman yield?

3140 Mr. Goodlatte. I would oppose this amendment.

3141 And I yield to the gentleman from Georgia.

3142 Mr. Johnson. I would ask the gentleman from Virginia
3143 whether or not it is true that when this Nation went to war
3144 to fight World War II that we were embroiled --

3145 Mr. Goodlatte. Reclaiming my time.

3146 Mr. Johnson. -- in deficit spending and accumulating
3147 debt.

3148 Mr. Goodlatte. Reclaiming my time.

3149 Mr. Johnson. Is it true?

3150 Mr. Goodlatte. Mr. Chairman, I believe I control the
3151 time.

3152 I would say to the gentleman that there would have
3153 been absolutely no difficulty whatsoever in getting a waiver
3154 a balanced budget requirement because the United States
3155 Congress voted almost unanimously to declare war in World
3156 War II. So the requirement would not have been imposed
3157 under those circumstances.

3158 I yield back to the chairman.

3159 Chairman Smith. Thank you, Mr. Goodlatte.

3160 Are there other members who wish to be recognized?

3161 The gentleman from North Carolina, Mr. Watt?

3162 Mr. Watt. Mr. Chairman, I am going to take the almost
3163 unprecedented step of opposing this gentlelady's amendment
3164 because I think it takes a very bad bill and makes it worse.
3165 And it would have the effect of undermining the requirement
3166 that a President come to Congress and seek congressional
3167 approval before going to war. I just think it would be
3168 counterproductive, not as counterproductive as the
3169 underlying bill is, but it takes a very bad bill and makes
3170 it marginally worse in my opinion. So I would be
3171 constrained to vote against the gentlelady's amendment.

3172 Chairman Smith. Thank you, Mr. Watt.

3173 The gentleman from Florida, Mr. Deutch, is recognized.

3174 Mr. Deutch. I would yield to Ms. Jackson Lee.

3175 Ms. Jackson Lee. Thank you very much, Mr. Chairman.

3176 It is obvious that I believe that my amendment makes a
3177 bad bill better and would quarrel vigorously with the
3178 gentleman from North Carolina and the gentleman from
3179 Virginia.

3180 Members, listen to the concept which I speak of
3181 dealing with military force. I started by saying that this
3182 is not a promotion of war. But I listened to the gentleman
3183 from Virginia who listed a litany of conflicts that
3184 occurred, none of which we would ordinarily promote. But
3185 the constraints of the bill calls upon a balanced budget
3186 amendment and then frivolously suggests that our friends on
3187 the other side are promoters of peace, that they would
3188 engage in a debate on declaration of war, which they did not
3189 do in the Iraq war. There was a debate that resulted in an
3190 unending utilization of forces.

3191 I am talking about precipitous conflicts that may
3192 require immediate response by this country, and that is not
3193 provided. One requires a joint resolution. The other
3194 indicates a declaration of war. And what I am suggesting
3195 is that you are constraining in case a precipitous action
3196 occurs in places where our troops are. And I would argue
3197 that the President should always come to the Congress. But
3198 as that conflict starts and we are needing resources, it is

3199 crucial that we be allowed to be able to provide those
3200 resources.

3201 I ask my colleagues, who I expect to vote no, do you
3202 want to join in in leaving troops on the battlefield high
3203 and dry? That is what the balanced budget amendment will
3204 do. My amendment will provide at least minimal relief when
3205 occurrences happen.

3206 So I ask my colleagues to vote for this amendment and
3207 I yield back.

3208 Chairman Smith. The gentleman for Florida's time has
3209 expired.

3210 The question is on the amendment. All the in favor,
3211 say aye.

3212 [Chorus of ayes.]

3213 Chairman Smith. Opposed, no.

3214 [Chorus of nays.]

3215 Chairman Smith. In the opinion of the chair, the noes
3216 have it, and the amendment is not agreed to.

3217 Ms. Jackson Lee. Roll call.

3218 Chairman Smith. The gentlewoman has requested a roll
3219 call vote, and the clerk will call the roll.

3220 Ms. Kish. Mr. Smith?

3221 Chairman Smith. No.

3222 Ms. Kish. Mr. Smith votes no.

3223 Mr. Sensenbrenner?

3224 [No response.]
3225 Ms. Kish. Mr. Coble?
3226 [No response.]
3227 Ms. Kish. Mr. Gallegly?
3228 [No response.]
3229 Ms. Kish. Mr. Goodlatte?
3230 Mr. Goodlatte. No.
3231 Ms. Kish. Mr. Goodlatte votes no.
3232 Mr. Lungren?
3233 Mr. Lungren. No.
3234 Ms. Kish. Mr. Lungren votes no.
3235 Mr. Chabot?
3236 Mr. Chabot. No.
3237 Ms. Kish. Mr. Chabot votes no.
3238 Mr. Issa?
3239 Mr. Issa. No.
3240 Ms. Kish. Mr. Issa votes no.
3241 Mr. Pence?
3242 [No response.]
3243 Ms. Kish. Mr. Forbes?
3244 Mr. Forbes. No.
3245 Ms. Kish. Mr. Forbes votes no.
3246 Mr. King?
3247 Mr. King. No.
3248 Ms. Kish. Mr. King votes no.

3249 Mr. Franks?
3250 Mr. Franks. No.
3251 Ms. Kish. Mr. Franks votes no.
3252 Mr. Gohmert?
3253 [No response.]
3254 Ms. Kish. Mr. Jordan?
3255 Mr. Jordan. No.
3256 Ms. Kish. Mr. Jordan votes no.
3257 Mr. Poe?
3258 [No response.]
3259 Ms. Kish. Mr. Chaffetz?
3260 [No response.]
3261 Ms. Kish. Mr. Griffin?
3262 Mr. Griffin. No.
3263 Ms. Kish. Mr. Griffin votes no.
3264 Mr. Marino?
3265 Mr. Marino. No.
3266 Ms. Kish. Mr. Marino votes no.
3267 Mr. Gowdy?
3268 Mr. Gowdy. No.
3269 Ms. Kish. Mr. Gowdy votes no.
3270 Mr. Ross?
3271 Mr. Ross. No.
3272 Ms. Kish. Mr. Ross votes no.
3273 Ms. Adams?

3274 Ms. Adams. No.

3275 Ms. Kish. Ms. Adams votes no.

3276 Mr. Quayle?

3277 Mr. Quayle. No.

3278 Ms. Kish. Mr. Quayle votes no.

3279 Mr. Conyers?

3280 Mr. Conyers. Aye.

3281 Ms. Kish. Mr. Conyers votes aye.

3282 Mr. Berman?

3283 [No response.]

3284 Ms. Kish. Mr. Nadler?

3285 [No response.]

3286 Ms. Kish. Mr. Scott?

3287 Mr. Scott. Aye.

3288 Ms. Kish. Mr. Scott votes aye.

3289 Mr. Watt?

3290 Mr. Watt. No.

3291 Ms. Kish. Mr. Watt votes no.

3292 Ms. Lofgren?

3293 [No response.]

3294 Ms. Kish. Ms. Jackson Lee?

3295 Ms. Jackson Lee. Aye.

3296 Ms. Kish. Ms. Jackson Lee votes aye.

3297 Ms. Waters?

3298 [No response.]

3299 Ms. Kish. Mr. Cohen?
3300 [No response.]
3301 Ms. Kish. Mr. Johnson?
3302 Mr. Johnson. Aye.
3303 Ms. Kish. Mr. Johnson votes aye.
3304 Mr. Pierluisi?
3305 [No response.]
3306 Ms. Kish. Mr. Quigley?
3307 [No response.]
3308 Ms. Kish. Ms. Chu?
3309 Ms. Chu. Aye.
3310 Ms. Kish. Ms. Chu votes aye.
3311 Mr. Deutch?
3312 [No response.]
3313 Ms. Kish. Ms. Sanchez?
3314 [No response.]
3315 Ms. Kish. Mr. Sensenbrenner?
3316 Mr. Sensenbrenner. No.
3317 Ms. Kish. Mr. Sensenbrenner votes no.
3318 Mr. Coble?
3319 Mr. Coble. No.
3320 Ms. Kish. Mr. Coble votes no.
3321 Chairman Smith. The clerk will report.
3322 Ms. Kish. Mr. Chairman, 5 members voted aye; 18
3323 members voted nay.

3324 Chairman Smith. The majority having voted against the
3325 amendment, the amendment is not agreed to.

3326 Let me say to members, before I recognize the
3327 gentleman from Michigan, that we are expecting amendments
3328 from Mr. Conyers, Mr. Jordan, and Mr. Deutch remaining. I
3329 don't know if Ms. Jackson Lee has another amendment or not.
3330 Ms. Jackson Lee. I do.

3331 Chairman Smith. So to my knowledge, there are four
3332 more amendments.

3333 And the gentleman from Michigan, Mr. Conyers, is
3334 recognized to offer his amendment.

3335 Mr. Conyers. Thank you, Mr. Chairman. I have an
3336 amendment to protect Social Security that I would like
3337 called up.

3338 Mr. Goodlatte. [Presiding] The clerk will report the
3339 amendment.

3340 Ms. Kish. "Amendment to H.J.Res. 1 offered by Mr.
3341 Conyers. Page 3, strike lines 20 through 24 and insert the
3342 following. Section 8" --

3343 Mr. Goodlatte. Without objection, the amendment will
3344 be considered as read.

3345 [The information follows:]

3346

3347 Mr. Goodlatte. And the gentleman from Michigan is
3348 recognized for 5 minutes to explain his amendment.

3349 Mr. Conyers. Thank you, Chairman Goodlatte.

3350 Members of the committee, I think protecting Social
3351 Security will be accomplished by exempting the Social
3352 Security Trust Fund from the balanced budget calculations
3353 that are imposed by this constitutional amendment. The
3354 question that arises right off the bat is where are these
3355 cuts going to come from, and what I am afraid of is that it
3356 might be from the Social Security Trust Fund. And so I want
3357 to protect against that possibility.

3358 Now, the acting chairman yesterday told a subcommittee
3359 that the only budget proposal that comes close to balancing
3360 the budget by 2018 would be this measure, and it is from the
3361 Republican Study Committee. But the proposal plans to cut
3362 \$9.1 trillion over the next 10 years. And to do that, we
3363 would need to have some specifics about where that huge
3364 amount of money is coming from. Hence, my amendment to make
3365 sure that it doesn't come from the Social Security Trust
3366 Fund.

3367 Yesterday we adopted in committee an amendment to cap
3368 outlays at 18 percent of the gross domestic product. And
3369 today I emphasize that we must protect Social Security.
3370 Remember, in the vote yesterday we did not agree to protect
3371 Medicare. So I would suggest that we are on some pretty

3372 cutting edge budgetary decisions.

3373 Remember, friends, the whole concept of the trust fund
3374 was to ensure that this money would not go into the general
3375 treasury where it could be raided. So the trust fund is a
3376 form of protecting Social Security. But by including Social
3377 Security in that balanced budget calculation, we then place
3378 at risk the very funds that we are so profoundly obligated
3379 to protect from severe cuts or, if it were decided, total
3380 elimination.

3381 Now, most people do not want Social Security used to
3382 pay for other programs, and that is what perhaps unwittingly
3383 we may be forcing the legislative branch of Government to do
3384 without my amendment. And that is the reason that we want
3385 this to run this way.

3386 Now, there is a Ryan budget that would cut Social
3387 Security's service delivery below the current maintenance
3388 levels. So this is moving in the wrong direction, and
3389 protecting Social Security is not a partisan matter. It is
3390 not a Democratic issue. It is not a Republican
3391 consideration. We all have seniors that would be gravely
3392 impacted by it.

3393 And so accordingly, I would solicit a bipartisan vote
3394 on this amendment, and I would yield back the balance of my
3395 time. Thank you.

3396 Mr. Goodlatte. I thank the gentleman.

3397 And I will recognize myself in opposition to the
3398 amendment.

3399 All this amendment does is provide an exemption for
3400 the Social Security Trust Fund from the calculations of
3401 total Federal receipts and outlays in determining whether
3402 the budget is balanced. Nothing in this amendment prevents
3403 Congress from cutting Social Security benefits. Nothing in
3404 this amendment prevents Congress from raising Social
3405 Security taxes on the middle class, and nothing in this
3406 amendment prevents Congress from using the Social Security
3407 Trust Fund to pay for things other than Social Security. It
3408 simply exempts anything Congress puts into and anything
3409 Congress takes out of the Social Security Trust Fund from
3410 the discipline of the balanced budget.

3411 This amendment would allow Social Security to be
3412 overwhelmed by non-Social Security programs moved onto
3413 Social Security's ledger in an attempt to hide those
3414 programs behind Social Security's exempt status. It is not
3415 difficult to predict the efforts this amendment will create
3416 to protect a whole range of social programs by arguing that
3417 they fall under the general intent of Social Security to
3418 provide a safety net.

3419 The balanced budget amendment is about forcing
3420 Congress to set priorities and protecting Social Security is
3421 a high priority for the American people and Members of

3422 Congress.

3423 No supporter of Social Security has to fear that a
3424 balanced budget amendment will hurt Social Security. In
3425 fact, the balanced budget amendment will protect Social
3426 Security. The balanced budget amendment will put an end to
3427 the rapid growth in interest payments that threaten to crowd
3428 out Social Security spending. It will avert the threat of
3429 runaway inflation which would have a severe impact on senior
3430 citizens living on a fixed income. And balancing the budget
3431 will ensure that America's economic growth is strong enough
3432 to sustain the Social Security Trust Fund.

3433 So I urge my colleagues to reject this amendment.

3434 And I would now recognize the gentleman from Virginia,
3435 Mr. Scott, for 5 minutes.

3436 Mr. Scott. Thank you, Mr. Chairman.

3437 Mr. Chairman, without this amendment, we have to
3438 remember that we are limited to 18 percent of GDP on
3439 expenditures. By exempting Social Security, you take the
3440 pressure off of cutting Social Security or Medicare. And
3441 you have to remember with this legislation you can cut
3442 Social Security or you can cut Medicare with a simple
3443 majority, but to raise taxes to save Social Security and to
3444 save Medicare you would need a super majority. So there is
3445 a preference without this amendment to cut spending,
3446 including Social Security and Medicare which are the big

3447 ticket items, unless this amendment which takes Social
3448 Security off the consideration.

3449 And so I would hope that we would help save Social
3450 Security and inferentially Medicare by passing the
3451 amendment. Social Security pays for itself. The money
3452 coming in and the money going out should equal. We are a
3453 little bit short, so we are going to have to tinker with it
3454 by either cutting benefits or increasing taxes. We are
3455 going to have to tinker with Social Security. Hopefully we
3456 can do things like raise the cap on taxes to save Social
3457 Security so that the benefits won't have to be adjusted.

3458 But this is a simple program that people have decided
3459 in a balanced way that they want to pay for and they want to
3460 get what they pay for. They shouldn't be subject to the
3461 budget acts that this constitutional amendment threatens
3462 programs like Social Security and Medicare.

3463 And I yield to the gentleman from Michigan.

3464 Mr. Conyers. I thank the gentleman for his rational
3465 arguments in favor of protecting Social Security and not
3466 raiding the trust fund.

3467 Now, in the history of the United States, the Social
3468 Security Trust Fund has never been raided. If we exclude it
3469 from this constitutional amendment, it still won't be able
3470 to be raided. If we do pass this constitutional amendment
3471 without my amendment, we will now be making the Social

3472 Security Trust Fund vulnerable, Mr. Goodlatte. There is no
3473 way you are going to protect a trust fund by making it
3474 subject to this constitutional amendment. And I don't think
3475 that that is controvertible. That is why I am arguing for
3476 Social Security.

3477 Now, as I understand the argument at this point, it is
3478 that you want to protect Social Security by putting it under
3479 the tender embrace of this constitutional amendment. I want
3480 to protect the Social Security Trust Fund by exempting it
3481 from the strictures of this constitutional amendment.

3482 Ms. Jackson Lee. Would the gentleman yield?

3483 Mr. Goodlatte. The gentleman from Virginia controls
3484 the time.

3485 Mr. Scott. I would yield.

3486 Ms. Jackson Lee. I rise to support the amendment.

3487 Again, Mr. Johnson asked earlier a question whether or
3488 not you believe that with the balanced budget amendment we
3489 would end Social Security as we knew it and Medicare as we
3490 knew it. I would frankly say that it is a resounding yes.
3491 And I thank Mr. Conyers for -- again, I keep trying to frame
3492 the 21st century constitutional duties in the light that we
3493 live. We established Social Security so that we would not
3494 have paupers, that we would not go back to the depression of
3495 1929 when seniors or elderly who compounded the lack of work
3496 by them being out of the workforce or being aged at that

3497 time, literally old people were thrown to die. Social
3498 Security includes those who are disabled, children, and
3499 seniors. And it is well known that each year that we talk
3500 about Social Security collapsing, it lasts because it is an
3501 investment. And it is important that we not allow the
3502 investment structure in human dignity and human needs to
3503 collapse. It is a simple premise.

3504 And, of course, we went through this route again, and
3505 I appreciate my good friend from Virginia. But some of us
3506 see this as *deja vu*. We did this in the best of times. We
3507 had a balanced budget amendment under the Newt Gingrich
3508 revolution, and we could not get it passed because everyone
3509 understands the frivolity of it.

3510 Now, we do have a different political makeup in the
3511 House.

3512 Mr. Goodlatte. The time of the gentleman has expired.

3513 Ms. Jackson Lee. But we don't have the political
3514 makeup in the Senate.

3515 I support the gentleman's amendment.

3516 Mr. Goodlatte. The chair recognizes the gentleman
3517 from Arizona, Mr. Franks.

3518 And the chair would ask the gentleman, after he
3519 concludes his remarks, he would yield to me.

3520 Mr. Franks. Well, thank you, Mr. Chairman.

3521 First of all, let me just endorse the comments of the

3522 chairman in response to this amendment.

3523 Mr. Chairman, my friend from Michigan suggested that
3524 the Social Security Trust Fund has never been raided, and I
3525 would just suggest to you, Mr. Chairman, that it has been
3526 nothing but raided, and oftentimes it has been our friends
3527 on the other side of the aisle that have made that a
3528 reality.

3529 The truth is, Mr. Chairman, that nothing has caused
3530 the fund to be raided more than the Government deficits that
3531 has forced that situation upon us, and nothing threatens
3532 Social Security more than the out-of-balance budgets that we
3533 have. The greatest threat to Social Security is insolvency
3534 of this Government, and I would suggest that this amendment
3535 would be a step in the right direction.

3536 Mr. Chairman, the contributions to Social Security
3537 that people make, if you average them out in standard
3538 actuarial terms, have been about 1.2 percent return, and
3539 that is part of the challenge.

3540 And I would encourage the ranking member to join with
3541 the Republicans to pass a bill that would isolate Social
3542 Security from being raided, and that is something a lot of
3543 us would embrace completely.

3544 But the reality is a balanced budget amendment is
3545 Social Security's best friend. The greatest threat to
3546 Social Security is an insolvent Government, and one of the

3547 greatest hedges against an insolvent Government is a
3548 balanced budget amendment. That has been the experience of
3549 States.

3550 Thank you and I yield back.

3551 Chairman Smith. [Presiding] Do you want to yield to
3552 the gentleman from Virginia?

3553 Mr. Franks. I yield to Mr. Goodlatte.

3554 Mr. Goodlatte. I thank the gentleman for yielding.

3555 You have very well said what I intended to say.

3556 I would only add this to the gentleman from Michigan.
3557 There is not a time when the Social Security Trust Fund has
3558 not been raided by this Congress and every single penny of
3559 it has been swept out into other programs. The American
3560 people know that.

3561 And the gentleman is quite correct. The only way to
3562 protect Social Security and the ability to honor those bonds
3563 that sit in the Social Security Trust Fund is to balance the
3564 budget so that we will have the resources in the future to
3565 honor the Social Security commitment.

3566 And I would add again that this amendment is so open-
3567 ended that it would allow any future Congress to redefine
3568 what Social Security is, to sweep all kinds of programs that
3569 are very popular with many Members of Congress, put them
3570 under the rubric of Social Security, and then they are
3571 exempt from having to be part of a balanced budget

3572 amendment.

3573 This is a very bad amendment. I urge my colleagues to
3574 oppose it.

3575 Chairman Smith. Does the gentleman yield back the
3576 balance of his time?

3577 Mr. Franks. Yes, Mr. Chairman.

3578 Mr. Johnson. I move to strike the last word.

3579 Chairman Smith. The gentleman from Georgia is
3580 recognized for 5 minutes.

3581 Mr. Johnson. Thank you, Mr. Chairman.

3582 The real reason that the majority opposes the
3583 amendment isn't because it would create a loophole. It is
3584 because they know that there is no way to balance the budget
3585 under the terms set forth in their resolution without
3586 tapping into the Social Security Trust Fund.

3587 All you need to do is look at the Simpson-Bowles
3588 Commission. Their principal recommendation for balancing
3589 the budget was to increase the retirement age and reduce
3590 benefits. Let me quote former chairman Henry Hyde from the
3591 1995 debate on this amendment. If you exclude receipts, the
3592 revenues that are received by the Social Security system,
3593 from computing the total revenue of the Government, if you
3594 will take that out of the equation, then the cuts that are
3595 necessary to reach a balanced budget are draconian.

3596 And so that is what we are looking at. That is what

3597 the American people are looking at. I hope they are looking
3598 at it. We here on this panel are looking at it trying to
3599 protect the seniors and the middle class who we promised to
3600 protect.

3601 Mr. Conyers. Will the gentleman yield?

3602 Mr. Johnson. I will yield to the chairman.

3603 Mr. Conyers. The gentleman is exactly correct. The
3604 same people that are now trying to get their tender arms
3605 around the Social Security Trust Fund are many of the same
3606 people that want to privatize Social Security anyway.
3607 Anybody ever hear of that argument coming from the 43rd
3608 President of the United States? So if we can't privatize
3609 it, let's make it hard -- let's make it easy for it to be
3610 included in this constitutional amendment that would take a
3611 super majority to get their paws on it.

3612 Mr. Johnson. Reclaiming my time. Not one Republican
3613 was willing to stand up and raise his or her hand and swear
3614 that passage of this balanced budget amendment would not
3615 result in enormous cuts to Medicare, Medicaid, and Social
3616 Security. No one was willing to do that, including Mr.
3617 Franks who would not take the pledge as I put it. He wants
3618 to take his own pledge.

3619 Mr. Franks. Would the gentleman yield?

3620 Mr. Johnson. Yes, I will.

3621 Mr. Franks. Mr. Chairman, I solemnly swear that I

3622 believe that this balanced budget amendment will cause
3623 revenues to the Government to increase, not decrease.

3624 Mr. Johnson. That's not my pledge. And usually what
3625 happens -- I want to see if you will take this pledge, if
3626 you will raise your right hand and say and repeat after me
3627 that this balanced budget amendment would inevitably force
3628 -- not force --

3629 Chairman Smith. Mr. Johnson, is it a pledge or a
3630 bait?

3631 Mr. Johnson. It is both.

3632 [Laughter.]

3633 Mr. Johnson. It is very important and I think the
3634 fact that we can't get anyone to affirm, to swear or affirm,
3635 that this balanced budget amendment will not result in
3636 enormous cuts -- enormous cuts -- in Social Security,
3637 Medicare, Medicaid -- that is a simple oath that my brethren
3638 and sisters on the other side of the aisle refuse to take.
3639 And I think that is a telling statement to the American
3640 people about what the true intentions are that underlie this
3641 amendment, which I predict will pass easily out of the
3642 Judiciary Committee.

3643 Chairman Smith. All right.

3644 Are there other members who wish to be recognized?

3645 The gentleman from Florida, Mr. Deutch.

3646 Mr. Johnson. I yield back.

3647 Mr. Deutch. Thank you. I move to strike the last
3648 word.

3649 Chairman Smith. The gentleman is recognized for 5
3650 minutes.

3651 Mr. Deutch. Thank you, Mr. Chairman.

3652 Mr. Chairman, I would like to support the ranking
3653 member's amendment.

3654 I believe that we all owe the ranking member a
3655 significant debt of gratitude for clarifying something that
3656 is too often forgotten, and that is that Social Security
3657 does not contribute to the deficit. Social Security has
3658 nothing to do with the deficit. The reason Social Security
3659 has been the most successful domestic program in this
3660 Nation's history for the past 75 years is because people pay
3661 in and Social Security pays them when they retire.

3662 Right now, it is worth remembering that there is over
3663 \$2.6 trillion in the Social Security Trust Fund. That \$2.6
3664 trillion is represented in securities backed by the full
3665 faith and credit of the United States Government. I would
3666 respectfully suggest that what the ranking member's
3667 amendment points out is that while Social Security does not
3668 contribute to the deficit, the single greatest threat to
3669 Social Security is if the full faith and credit of the
3670 United States Government is not honored. And the single
3671 best way to ensure that is if we are unable to address the

3672 current debt ceiling situation. And if we continue to move
3673 forward and play games and posture around this debt ceiling
3674 debate, we are going to wind up not only jeopardizing Social
3675 Security, but we are going to wind up jeopardizing the
3676 Medicare program that my friends on the other side wish to
3677 privatize. That can't be the direction that we go. It is
3678 not what American seniors want.

3679 I want to thank the ranking member as I express my
3680 sincere support for his amendment.

3681 And I yield back.

3682 Chairman Smith. Thank you, Mr. Deutch.

3683 The question is on the amendment. Those in favor say
3684 aye.

3685 [Chorus of ayes.]

3686 Chairman Smith. Opposed, nay.

3687 [Chorus of nays.]

3688 Chairman Smith. In the opinion of the chair, the nays
3689 have it.

3690 Mr. Conyers. Record vote, please.

3691 Chairman Smith. A recorded vote has been requested
3692 and the clerk will call the roll.

3693 Ms. Kish. Mr. Smith?

3694 Chairman Smith. No.

3695 Ms. Kish. Mr. Smith votes no.

3696 Mr. Sensenbrenner?

3697 [No response.]
3698 Ms. Kish. Mr. Coble?
3699 [No response.]
3700 Ms. Kish. Mr. Gallegly?
3701 [No response.]
3702 Ms. Kish. Mr. Goodlatte?
3703 Mr. Goodlatte. No.
3704 Ms. Kish. Mr. Goodlatte votes no.
3705 Mr. Lungren?
3706 Mr. Lungren. No.
3707 Ms. Kish. Mr. Lungren votes no.
3708 Mr. Chabot?
3709 Mr. Chabot. No.
3710 Ms. Kish. Mr. Chabot votes no.
3711 Mr. Issa?
3712 [No response.]
3713 Ms. Kish. Mr. Pence?
3714 [No response.]
3715 Ms. Kish. Mr. Forbes?
3716 [No response.]
3717 Ms. Kish. Mr. King?
3718 [No response.]
3719 Ms. Kish. Mr. Franks?
3720 Mr. Franks. No.
3721 Ms. Kish. Mr. Franks votes no.

3722 Mr. Gohmert?
3723 [No response.]
3724 Ms. Kish. Mr. Jordan?
3725 Mr. Jordan. No.
3726 Ms. Kish. Mr. Jordan votes no.
3727 Mr. Poe?
3728 [No response.]
3729 Ms. Kish. Mr. Chaffetz?
3730 Mr. Chaffetz. No.
3731 Ms. Kish. Mr. Chaffetz votes no.
3732 Mr. Griffin?
3733 Mr. Griffin. No.
3734 Ms. Kish. Mr. Griffin votes no.
3735 Mr. Marino?
3736 Mr. Marino. No.
3737 Ms. Kish. Mr. Marino votes no.
3738 Mr. Gowdy?
3739 Mr. Gowdy. No.
3740 Ms. Kish. Mr. Gowdy votes no.
3741 Mr. Ross?
3742 Mr. Ross. No.
3743 Ms. Kish. Mr. Ross votes no.
3744 Ms. Adams?
3745 Ms. Adams. No.
3746 Ms. Kish. Ms. Adams votes no.

3747 Mr. Quayle?
3748 Mr. Quayle. No.
3749 Ms. Kish. Mr. Quayle votes no.
3750 Mr. Conyers?
3751 Mr. Conyers. Aye.
3752 Ms. Kish. Mr. Conyers votes aye.
3753 Mr. Berman?
3754 [No response.]
3755 Ms. Kish. Mr. Nadler?
3756 Mr. Nadler. Aye.
3757 Ms. Kish. Mr. Nadler votes aye.
3758 Mr. Scott?
3759 Mr. Scott. Aye.
3760 Ms. Kish. Mr. Scott votes aye.
3761 Mr. Watt?
3762 Mr. Watt. Aye.
3763 Ms. Kish. Mr. Watt votes aye.
3764 Ms. Lofgren?
3765 [No response.]
3766 Ms. Kish. Ms. Jackson Lee?
3767 Ms. Jackson Lee. Aye.
3768 Ms. Kish. Ms. Jackson Lee votes aye.
3769 Ms. Waters?
3770 [No response.]
3771 Ms. Kish. Mr. Cohen?

3772 [No response.]
3773 Ms. Kish. Mr. Johnson?
3774 Mr. Johnson. Aye.
3775 Ms. Kish. Mr. Johnson votes aye.
3776 Mr. Pierluisi?
3777 [No response.]
3778 Ms. Kish. Mr. Quigley?
3779 [No response.]
3780 Ms. Kish. Ms. Chu?
3781 Ms. Chu. Aye.
3782 Ms. Kish. Ms. Chu votes aye.
3783 Mr. Deutch?
3784 Mr. Deutch. Aye.
3785 Ms. Kish. Mr. Deutch votes aye.
3786 Ms. Sanchez?
3787 [No response.]
3788 Ms. Kish. Mr. Sensenbrenner?
3789 Mr. Sensenbrenner. No.
3790 Ms. Kish. Mr. Sensenbrenner votes no.
3791 Mr. Coble?
3792 Mr. Coble. No.
3793 Ms. Kish. Mr. Coble votes no.
3794 Chairman Smith. Mr. Issa?
3795 Mr. Issa. No.
3796 Ms. Kish. Mr. Issa votes no.

3797 Chairman Smith. Mr. Forbes?
3798 Mr. Forbes. No.
3799 Ms. Kish. Mr. Forbes votes no.
3800 Chairman Smith. Mr. King?
3801 Mr. King. No.
3802 Ms. Kish. Mr. King votes no.
3803 Chairman Smith. Mr. Gallegly?
3804 Mr. Gallegly. No.
3805 Ms. Kish. Mr. Gallegly votes no.
3806 Chairman Smith. The clerk will report.
3807 Ms. Kish. Mr. Chairman, 8 members voted aye; 19
3808 members voted nay.
3809 Chairman Smith. The majority having voted against the
3810 amendment, the amendment is not agreed to.
3811 The gentleman from Ohio is recognized to offer an
3812 amendment.
3813 Mr. Jordan. I thank the chairman. I have an
3814 amendment at the desk.
3815 Chairman Smith. The clerk will report the amendment.
3816 Ms. Kish. "Amendment to H.J.Res. 1 offered by Mr.
3817 Jordan of Ohio. Page 3" --
3818 Chairman Smith. Without objection, the amendment will
3819 be considered as read.
3820 [The information follows:]
3821

3822 Chairman Smith. The gentleman is recognized to
3823 explain his amendment.

3824 Mr. Jordan. Thank you, Mr. Chairman.

3825 This amendment is real simple. It just strengthens
3826 the protection for taxpayers from requiring a three-fifths
3827 majority to requiring a two-thirds majority. I won't go
3828 into all the arguments. We have been debating this and
3829 arguing this all morning long, now all afternoon long. And
3830 I will do what Mr. Watt did earlier, Mr. Chairman, and say
3831 the arguments I made on some of Mr. Watt's amendments, Mr.
3832 Scott's amendments, et cetera.

3833 But we just believe it is important. To further
3834 protect the families, small business owners, and taxpayers
3835 of this country, it requires a two-thirds majority.

3836 The other thing is a practical concern. In the United
3837 States Senate, 47 United States Senators have signed on to a
3838 balanced budget amendment which has a two-thirds
3839 requirement. Over 100 Members of the House of
3840 Representatives have signed on to a letter supporting a
3841 balanced budget amendment with the two-thirds super majority
3842 requirement to raise taxes. That is why we are amending.

3843 I have talked to the sponsor who has done great work
3844 on this issue for over a decade, and he is comfortable
3845 accepting this amendment.

3846 And with that, I would yield back my time.

3847 Mr. Conyers. Would Mr. Jordan yield?

3848 Mr. Jordan. Since my good friend has yielded to me
3849 many times, certainly.

3850 Mr. Conyers. Would you be unhappy if your proposal
3851 was raised to a nice even 70 percent?

3852 Mr. Jordan. Is the gentleman offering to amend our
3853 amendment?

3854 Mr. Conyers. No. I am asking you. I don't want to
3855 antagonize you. Or 80 percent. Let's make it a nice, even
3856 number.

3857 Mr. Jordan. I am one who thinks taxpayer protection
3858 plans are good and the more difficult we make it to raise
3859 taxes on taxpayers is a good thing. But two-thirds seems to
3860 be a requirement that is consistent with the Constitution.
3861 It is the requirement we have to put a balanced budget
3862 amendment to the people, to the respective States. And so
3863 it seems like the appropriate number to go to, and that is
3864 why I have offered this amendment.

3865 Mr. Conyers. Well, I am sorry to find out that you
3866 don't want to raise it any more than that.

3867 Chairman Smith. The gentleman yields back the balance
3868 of his time.

3869 The gentleman from North Carolina, Mr. Watt, is
3870 recognized.

3871 Mr. Watt. Mr. Chairman, can I just ask unanimous

3872 consent to insert in the record once again my arguments on
3873 the amendment that I offered, the argument on the first
3874 amendment that Mr. Scott of Virginia offered, and the
3875 arguments on the second amendment that Mr. Scott offered,
3876 striking the provision and getting us back to a majority?
3877 The same arguments apply here, and I don't want to take the
3878 committee's time to restate all of them. This was stupid at
3879 its inception, and it is getting stupider as we go along.
3880 So I just ask unanimous consent to put those statements in
3881 the record once again at this point.

3882 Chairman Smith. Without objection. I hope other
3883 members will follow Mr. Watt's precedent.

3884 Mr. Goodlatte. Mr. Chairman?

3885 Chairman Smith. Mr. Goodlatte is recognized.

3886 Mr. Goodlatte. Thank you, Mr. Chairman. I will be
3887 brief.

3888 I think this is a good amendment and I support it. It
3889 makes it more difficult for the Federal Government to take
3890 American citizens' hard-earned money. It raises the super
3891 majority requirement to two-thirds. I support the toughest
3892 provision that we can get on tax increases, and in looking
3893 at all of the various balanced budget amendments that have
3894 been offered, this is the threshold, two-thirds. As the
3895 gentleman from Ohio points out, all 47 Republicans in the
3896 Senate have cosponsored a balanced budget amendment that has

3897 the same threshold and therefore I think that our
3898 constitutional amendment should be conformed.

3899 I yield back.

3900 Ms. Jackson Lee. Mr. Chairman?

3901 Chairman Smith. Thank you, Mr. Goodlatte.

3902 The gentleman from Virginia, Mr. Scott, is recognized.

3903 Mr. Scott. Thank you, Mr. Chairman.

3904 Very briefly. As Mr. Watt has done, I would just
3905 remind people of arguments of why the three-fifths was a bad
3906 idea. Two-thirds just makes it worse.

3907 The question before us is how this helps balance the
3908 budget. If it is virtually impossible to raise taxes, it
3909 will be virtually impossible to balance the budget just
3910 because of arithmetic realities. Increasing revenues or
3911 cutting spending are the two ways that you can balance the
3912 budget.

3913 And I will yield to the gentleman from North Carolina.

3914 Mr. Watt. I thank the gentleman for yielding just
3915 long enough for people to know that I know that there is no
3916 such word as "stupider." The word is "more stupid." And so
3917 if you can insert that correction. I revise and extend my
3918 remarks so that people don't think that I thought that was a
3919 real word.

3920 Chairman Smith. Thank you, Mr. Scott.

3921 Ms. Jackson Lee. Would the gentleman yield?

3922 Chairman Smith. Will the gentleman from Virginia
3923 yield to the gentlewoman from Texas?

3924 Mr. Scott. I would.

3925 Ms. Jackson Lee. I thank you.

3926 I respect Mr. Jordan. We have watched his leadership
3927 of the Republican Study Group, and so I know his philosophy.

3928 Let me just characterize that the amendment that he
3929 offers probably would fit the 13 colonies in the early
3930 history of this country. It failed then, but it might have
3931 fit because you had a manageable population of persons. The
3932 concept of Medicaid and Social Security and Medicare did not
3933 exist. People, in essence, survived off the land as they
3934 could and had no concept other than you were born, you live,
3935 and you die.

3936 But in this framework of quality of life that has now
3937 been expanded under the pursuit of happiness that we adhere
3938 to many times, it is absolutely revolutionary in the bad
3939 sense to stranglehold the needs of the American people by a
3940 two-thirds majority, which then in fact allows the dangerous
3941 minority to be able to dominate the further governance of
3942 this Nation.

3943 I respect the philosophy, but the practicality of it
3944 will not work. And for that basis, I yield back and oppose
3945 the amendment.

3946 Chairman Smith. Does the gentleman from Virginia

3947 yield back the balance of his time?

3948 Mr. Scott. I do.

3949 Chairman Smith. If so, the question is on the
3950 amendment. Those in favor, say aye.

3951 [Chorus of ayes.]

3952 Chairman Smith. Those opposed, no.

3953 [Chorus of nays.]

3954 Chairman Smith. In the opinion of the chair, the ayes
3955 have it, and the amendment is agreed to.

3956 Let me say to members of the committee -- a record
3957 vote has been called, but before we get to a record vote, it
3958 is my intention for us to adjourn until week after next. We
3959 have at least two remaining amendments that we will take up
3960 at that point.

3961 The clerk will call the roll.

3962 Ms. Kish. Mr. Smith?

3963 Chairman Smith. Aye.

3964 Ms. Kish. Mr. Smith votes aye.

3965 Mr. Sensenbrenner?

3966 [No response.]

3967 Ms. Kish. Mr. Coble?

3968 Mr. Coble. Aye.

3969 Ms. Kish. Mr. Coble votes aye.

3970 Mr. Gallegly?

3971 Mr. Gallegly. Aye.

3972 Ms. Kish. Mr. Gallegly votes aye.
3973 Mr. Goodlatte?
3974 Mr. Goodlatte. Aye.
3975 Ms. Kish. Mr. Goodlatte votes aye.
3976 Mr. Lungren?
3977 Mr. Lungren. Aye.
3978 Ms. Kish. Mr. Lungren votes aye.
3979 Mr. Chabot?
3980 Mr. Chabot. Aye.
3981 Ms. Kish. Mr. Chabot votes aye.
3982 Mr. Issa?
3983 [No response.]
3984 Ms. Kish. Mr. Pence?
3985 [No response.]
3986 Ms. Kish. Mr. Forbes?
3987 Mr. Forbes. Aye.
3988 Ms. Kish. Mr. Forbes votes aye.
3989 Mr. King?
3990 Mr. King. Aye.
3991 Ms. Kish. Mr. King votes aye.
3992 Mr. Franks?
3993 Mr. Franks. Aye.
3994 Ms. Kish. Mr. Franks votes aye.
3995 Mr. Gohmert?
3996 [No response.]

3997 Ms. Kish. Mr. Jordan?
3998 Mr. Jordan. Aye.
3999 Ms. Kish. Mr. Jordan votes aye.
4000 Mr. Poe?
4001 [No response.]
4002 Ms. Kish. Mr. Chaffetz?
4003 Mr. Chaffetz. Aye.
4004 Ms. Kish. Mr. Chaffetz votes aye.
4005 Mr. Griffin?
4006 Mr. Griffin. Aye.
4007 Ms. Kish. Mr. Griffin votes aye.
4008 Mr. Marino?
4009 Mr. Marino. Aye.
4010 Ms. Kish. Mr. Marino votes aye.
4011 Mr. Gowdy?
4012 Mr. Gowdy. Aye.
4013 Ms. Kish. Mr. Gowdy votes aye.
4014 Mr. Ross?
4015 Mr. Ross. Aye.
4016 Ms. Kish. Mr. Ross votes aye.
4017 Ms. Adams?
4018 Ms. Adams. Aye.
4019 Ms. Kish. Ms. Adams votes aye.
4020 Mr. Quayle?
4021 Mr. Quayle. Aye.

4022 Ms. Kish. Mr. Quayle votes aye.
4023 Mr. Conyers?
4024 Mr. Conyers. No.
4025 Ms. Kish. Mr. Conyers votes no.
4026 Mr. Berman?
4027 [No response.]
4028 Ms. Kish. Mr. Nadler?
4029 Mr. Nadler. No.
4030 Ms. Kish. Mr. Nadler votes no.
4031 Mr. Scott?
4032 Mr. Scott. No.
4033 Ms. Kish. Mr. Scott votes no.
4034 Mr. Watt?
4035 Mr. Watt. No.
4036 Ms. Kish. Mr. Watt votes no.
4037 Ms. Lofgren?
4038 [No response.]
4039 Ms. Kish. Ms. Jackson Lee?
4040 Ms. Jackson Lee. No.
4041 Ms. Kish. Ms. Jackson Lee votes no.
4042 Ms. Waters?
4043 [No response.]
4044 Ms. Kish. Mr. Cohen?
4045 [No response.]
4046 Ms. Kish. Mr. Johnson?

4047 Mr. Johnson. No.

4048 Ms. Kish. Mr. Johnson votes no.

4049 Mr. Pierluisi?

4050 [No response.]

4051 Ms. Kish. Mr. Quigley?

4052 [No response.]

4053 Ms. Kish. Ms. Chu?

4054 Ms. Chu. No.

4055 Ms. Kish. Ms. Chu votes no.

4056 Mr. Deutch?

4057 Mr. Deutch. No.

4058 Ms. Kish. Mr. Deutch votes no.

4059 Ms. Sanchez?

4060 [No response.]

4061 Chairman Smith. Are there other members who wish to

4062 record their votes?

4063 [No response.]

4064 Chairman Smith. If not, the clerk will report.

4065 Ms. Kish. Mr. Chairman, 17 members voted aye; 8

4066 members voted nay.

4067 Chairman Smith. The majority having voted in favor of

4068 the amendment, the amendment is agreed to.

4069 And as I mentioned a while ago, we will adjourn today

4070 and then resume the markup the week we return. We stand

4071 adjourned.

4072 [Whereupon, at 1:25 p.m., the committee was
4073 adjourned.]