

# Balanced Budget Amendment defeated

by Suzanne Rose

The White House and Senate Democratic leadership won a narrow victory against the legislation to add an amendment to the Constitution to require the federal government to balance its budget. On Feb. 26, Sen. Robert Torricelli (D-N.J.) added his name to the roster of opposition, thus blocking the two-thirds majority required for its adoption. At a Capitol Hill press conference, Torricelli became the 34th opponent of Senate Joint Resolution 1, a resolution with the support of members of both parties, which would legislate such an amendment. This effectively kills the proposal, because both houses of Congress are required to pass it, for it to become law. It then must go to the states for ratification.

Despite their apparent defeat, the sponsors of the Balanced Budget Amendment have succeeded, for the present, in establishing an ugly "austerity" framework for debate within the Congress, at a time when the nation is undergoing a spiralling economic collapse.

Torricelli's press announcement of his opposition to an amendment which would require a three-fifths majority in Congress before "total outlays" for any fiscal year can exceed total receipts, was apt. He voiced three concerns: "The first was a massive disinvestment that is taking place in the United States that I believe jeopardizes our economic future. The effort to balance the budget without a separate capital expenditure account is leading to the failure to invest in our roads, in our railroads, in our schools, and other physical assets." Second, he scored the amendment for not allowing sufficient protections against the threat of military aggression, because of the straitjacket it would impose on "deficit" spending. Third, the government would be unable to respond adequately to a deepening economic recession.

## A very unbalanced amendment

Beginning with the announcement by Senate Democrats on Jan. 30, that 1,000 economists opposed the measure, the White House and Senate Democratic leadership waged an aggressive campaign against it. Driving support for the amendment this year by the Republican conservative revolutionary leadership in the Congress, is the danger of an imminent collapse of the world financial markets. The City of London financial oligarchy behind this crowd wants to disrupt and destroy governments around the world, with dramatically lower levels of government spending on the needs of the pop-

ulation, while diverting ever more funds away from real social and economic spending. The Congressional Democratic leadership, still at sea after its failure to retake the House from the fascists of the Conservative Revolution, mobilized itself to defeat a bill which ultimately would have destroyed Congress itself. Enforcement of the amendment could have meant that Congress would have to turn over its legislative authority to the courts if it had become incapable politically of making further deep cuts in spending as the economy worsened.

Economic arguments dominated the floor debate on the amendment over the last month in the Senate. As it drew closer to a vote, the Democratic leadership emphasized the threat to Social Security, charging, rightly, that the conservative revolutionary majority in the Republican Party intended to raid Social Security after the passage of the amendment. A number of senators submitted amendments which would keep Social Security funds isolated from the balancing requirements of the operating budget. This proved to be the decisive argument made to ensure support for their mobilization against the amendment, since no one was willing to publicly argue that the threat of an economic emergency which will require decisive government action, is already here. At a Feb. 25 press conference, Senate Minority Leader Tom Daschle (D-S.D.) charged that "the backers of this amendment want to raid Social Security, and they've got the nerve to call that fiscal responsibility."

In the debate in Congress, Democrats painted a compelling scenario of the disaster which would befall the nation in the event of a depression or national emergency, should the budget amendment pass. Sen. Barbara Boxer (D-Calif.) pointed out that Congress would not be able to respond to disasters such as the San Francisco earthquake, if a three-fifths majority were required in both houses to increase spending over the limits set by the receipts in any given year.

Most notable in the debates were repeated references to the Depression of the 1930s. "The fundamental problem with the amendment is that it requires a balanced budget even in times of recession. The depression of the 1930s was made far worse because Congress repeatedly cut federal spending and raised taxes trying to keep the budget in balance. This amendment could easily condemn us to repeat that unacceptable history," said Sen. Edward Kennedy (D-Mass.). Rep. John Conyers (D-Mich.) recalled the steps Franklin Roosevelt took in the 1930s to "save the financial system from the ravages of Wall Street," which would not have been permitted had such an amendment been in effect. Others addressed the deficit spending required for the mobilization prior to U.S. entry into World War II. Sen. Christopher Dodd (D-Conn.) spoke of the fact that the United States could not have responded to the war in Europe with the Lend-Lease program if Franklin Roosevelt's hands had been tied by the requirement of a three-fifths majority in support of his policy. The country had a deficit, Dodd said, and was deeply divided on the question of becoming involved in the war in Europe at that time.