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THE WHITE HOUSE
WASHINGTON

May 19, 1982

MEMORANDUM TO MICHAEL DEEVER
FROM: RICH WILLIAMSON *Rich*
SUBJECT: Balanced Budget Amendment

*Hold until
Rich talks
to you*

-- The success of the President's Balanced Budget Committee will largely depend on a quality Executive Director. I have talked with Arthur Finklestien on this subject, and he highly recommends Andre LeTendre. I have talked with LeTendre, and he is very interested in the Executive Director position. Please find Andre LeTendre's resume attached.

*Ed Rollins at
has signed off
LeTendre for
exec dir.*

-- Per yesterday's meeting, it was agreed that Dr. Milton Friedman and Edith Green (former Democrat Congresswoman from Oregon) would be asked to be co-chairmen of the President's National Balanced Budget Committee. Don Kendall, President of Pepsi Cola, was recommended as the National Finance Chairman of the Committee. I have attached call sheets for the President.

-- Also attached is a letter of invitation from the President to potential members on the National Balanced Budget Committee.

-- As discussed at the meeting yesterday, I recommend that President Reagan announce the formation of the President Reagan Balanced Budget Committee on Monday. Milton Friedman, Edith Green and Don Kendall should be present. The announcement could be made at the opening of a Presidential "press availability" in the Rose Garden.

-- In order to effectively coordinate our efforts and to avoid contradictory statements, I would suggest that all Administration testimony on the Balanced Budget be circulated prior to delivery on the Hill.

-- I would recommend that Roger Porter be included in the bi-weekly steering committee meetings for a linkage to the Cabinet Council on Economic Affairs.

GREGORY W. CARMAN
THIRD DISTRICT, NEW YORK

COMMITTEES:
BANKING, FINANCE AND URBAN
AFFAIRS

SUBCOMMITTEES:
(NATIONAL TRADE, INVESTMENT
AND MONETARY POLICY
HOUSING AND COMMUNITY
DEVELOPMENT
GENERAL OVERSIGHT AND
RENEGOTIATION
CONSUMER AFFAIRS

SELECT COMMITTEE ON AGING

SUBCOMMITTEES:
RETIREMENT INCOME AND EMPLOYMENT
HOUSING AND CONSUMER INTERESTS

Congress of the United States
House of Representatives
Washington, D.C. 20515

WASHINGTON OFFICE:
1729 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-3865

DISTRICT OFFICE:
322A MAIN STREET
HUNTINGTON, NEW YORK 11743
(516) 549-8400

ANDRE E. LeTENDRE

Andre LeTendre (pronounced La Tahn) currently serves as Administrative Assistant to Gregory W. Carman (R. 3rd District, New York). Prior to his joining Congressman Carman, LeTendre served as the Executive Director of the American Academy of Political and Governmental Studies in Washington, D.C.

LeTendre founded and has been active in Andre LeTendre & Associates, a Washington based political management firm founded in July, 1976. He also serves on the Board of Directors of the Center for Government Information.

Until July, 1975, Mr. LeTendre served as Deputy Special Assistant to the President of the United States. Before joining the White House staff LeTendre was Deputy to the Assistant Secretary for Administration at the U.S. Department of Commerce.

LeTendre's other Washington experiences included serving as the Associate Director of the Citizens Volunteers Committee for the Re-Election of the President in 1972, as well as a Special Assistant and Consultant to the U.S. Department of Commerce since he came to Washington in November, 1970.

A Wisconsin native and educated at Wisconsin State University at Eau Claire, Wisconsin, LeTendre's background includes extensive experience in radio, marketing, advertising, and management consulting.

LeTendre's involvement encompasses all levels of government. A congressional candidate in 1970, LeTendre, at the age of 23, was Chairman of the "Committee of 110" for efficient city government in his home town. Statewide, LeTendre served on the Wisconsin Governor's Traffic Safety Advisory Committee. Nationally, in addition to his Washington positions, he was a member of the Citizens Committee on Transportation Quality under the Johnson Administration, and was a member of the President's Commission for the Observance of the 25th Anniversary of the United Nations in 1970.

Recognized as one of the Nation's outstanding spokesmen on the processes of government, the private sector, and the electorate, LeTendre's honorariums have taken him into all 50 states and 11 foreign countries.

Wisconsin's "Citizen of the Year" in 1970, LeTendre also is the recipient of the "Wisconsin Legislative Citation" and "The State of Wisconsin's Governor's Award". In 1971 LeTendre was named one of Wisconsin's "Five Outstanding Young Men".

LeTendre, the fiftieth President of the United States Jaycees in 1969-1970, also served as a Vice President and as Chairman of the Board of the 375,000 member, 8,000 chapter organization.

The Wisconsin Jaycees were named the most outstanding State Jaycee organization in the country the year LeTendre was State President and was named one of the five outstanding State Presidents in the nation (The Clayton Frost Award).

President Gerald R. Ford, when accepting LeTendre's resignation from his staff, summarized Andre's qualities well when he stated, "I welcome this opportunity to express my personal gratitude for the skill, organizational ability, and exceptional dedication you brought to each of your positions in the public service. Your own skill and hard work have truly earned my thanks. It is with a deep sense of regret that I accept your resignation as you requested."

Andre Edward LeTendre
2307 Riviera Drive
Vienna, Virginia 22180
(703) 938-9135

PROFESSIONAL EXPERIENCE

May, 1981- Present	<u>United States House of Representatives, Administrative Assistant to Gregory W. Carman, Congressman from the 3rd District of New York state.</u>
July, 1976- May, 1981	<u>Andre LeTendre and Associates, Washington, D.C., Founder and Chief Operating Officer. Consultant to Chief Executives, Pollsters and Political Candidates including: Arthur J. Finkelstein and Associates; Senator Robert Dole; James L. Buckley for United States Senate; and the Presidential Inaugural Committee 1981.</u>
July, 1975- July, 1976	<u>Roy Jacobson and Associates, Inc., Washington, D.C., President and Chief Executive Officer. Duties included servicing clients in the following areas: Federal Government Relations; Management; State, County and Local Government Relations; and Communications.</u>
June, 1974- July, 1975.	<u>Deputy Special Assistant to the President, The White House, Washington, D.C. Joined White House staff in June, 1974 as Staff Assistant to the President. Promoted in August, 1974 to Deputy Special Assistant to the President. Major responsibility was to act as liaison for the President to the 20 Federal Agencies and Departments and to recommend candidates for appointment, by the President, to the assigned agencies and departments.</u>
February, 1973- June, 1974	<u>Deputy to the Assistant Secretary for Administration, United States Department of Commerce, Washington, D.C. Assisted Secretary and Undersecretary of Commerce with personnel matters. Served as Chief Liaison with the White House for the department.</u>
November, 1972- February, 1973	<u>Special Assistant to the Director of the National Oceanographic and Atmospheric Administration, United States Department of Commerce, Washington, D.C. Researched and developed a comprehensive, long-term, public affairs/public relations plan for the Office of Coastal Zone Management.</u>
May, 1972- November, 1972	<u>Associate Executive National Director, Citizen's and Volunteers for the Reelection of the President, Washington, D.C. Enlisted and coordinated volunteers in 435 congressional districts as members of 30 national committees.</u>
January, 1971- May, 1972	<u>Confidential Assistant, Bureau of Domestic Commerce, United States Department of Commerce, Washington, D.C. Established liaison with Chambers of Commerce, Trade Associations, Business and Industry.</u>

PROFESSIONAL EXPERIENCE (CON'T)

November, 1970- January, 1971 Consultant to the Director, Bureau of International Commerce and Bureau of Domestic Commerce, United States Department of Commerce, Washington, D.C. Served as Senior Advisor to the Director on matters concerning minority business; consumer affairs; business and trade associations. Coordinated the efforts between the bureau and these groups.

June, 1970- November, 1970 Candidate for Congress, 7th District of Wisconsin.

June, 1969- June, 1970 President, United States Jaycees. Elected and served as President of the United States Jaycees: a community service - leadership training organization, composed of 51 state organizations, 8000 local chapters and 375,000 members.

AWARDS

Wisconsin State Key Man Award
Wisconsin Citizen of the Year Award
State of Wisconsin Governors Award
Wisconsin Legislative Citation
Wisconsin's Five Outstanding Young Men Award

HONORS

Member, President's Commission for the Observance of the 25th Anniversary of the United Nations
Member, National Citizen's Committee on Transportation Quality, United States Department of Transportation
Member of the Wisconsin Governors' Traffic Safety Advisory Committee
Who's Who in Government
Who's Who in Finance and Industry
Who's Who in America

EDUCATION

Wisconsin State University, Eau Claire, Wisconsin

PERSONAL

Age: 44
Marital Status: Married, four children
Health: Excellent

THE WHITE HOUSE

WASHINGTON

RECOMMENDED TELEPHONE CALL

TO:

Milton Friedman
Author and Economist

Hoover Institute, Stanford, California
415-497-0580 (O)
415-928-0268 (H)

DATE:

May 19, 1982

RECOMMENDED BY:

Richard S. Williamson

Rick

PURPOSE:

To ask him to be National Co-Chairman of an independent citizens organization to promote the Balanced Budget Amendment.

BACKGROUND:

The President Reagan Balanced Budget Committee is being formed to emphasize your commitment to getting government under control and balancing the budget.

TOPICS OF DISCUSSION:

1. I know you share my concerns about the growth of big government and the lack of fiscal responsibility in this country.
2. I am supporting passage of the Balanced Budget Amendment which I spoke about in my message to the nation on April 29, 1982.
3. A committee is being formed (The President Reagan Balanced Budget Committee) to promote passage of a Balanced Budget Amendment.
4. I would like you to serve as the National Co-chairman of the President Reagan Balanced Budget Committee. I will be asking former Congresswoman Edith Green to be your Co-chairman.

5. Acting now and working together, I know we can do the right thing for this country we all love so much.
6. Andre LeTendre, who will serve as Executive Director, will follow-up with you on the details.
7. If you will agree to serve as a Co-chairman of this effort, I would like to make the announcement next week.

DATE OF SUBMISSION: May 19, 1982

ACTION _____

THE WHITE HOUSE

WASHINGTON

RECOMMENDED TELEPHONE CALL

TO: Edith Green
Former Democrat Congresswoman from Oregon
503-678-5000 (Home and Office)

DATE: May 19, 1982

RECOMMENDED BY: Richard S. Williamson *Rich*

PURPOSE: To ask her to be National Co-Chairman
of an independent citizens organiza-
tion to promote the Balanced Budget
Amendment.

BACKGROUND: The President Reagan Balanced Budget
Committee is being formed to emphasize
your commitment to getting government
under control and balancing the
budget.

TOPICS OF DISCUSSION:

1. I know you share my concerns about
the growth of big government and the
lack of fiscal responsibility in this
country.
2. I am supporting passage of the
Balanced Budget Amendment which I
spoke about in my message to the
nation on April 29, 1982.
3. A committee is being formed (The
President Reagan Balanced Budget
Committee) to promote passage of
a Balanced Budget Amendment.
4. I would like you to serve as the
National Co-chairman of the
President Reagan Balanced Budget
Committee. I will be asking
author and economist Milton
Friedman to be your Co-chairman.

5. Acting now and working together, I know we can do the right thing for this country we all love so much.
6. Andre LeTendre, who will serve as Executive Director, will follow-up with you on the details.
7. If you will agree to serve as a Co-chairman of this effort, I would like to make the announcement next week.

DATE OF SUBMISSION: May 19, 1982

ACTION _____

THE WHITE HOUSE

WASHINGTON

RECOMMENDED TELEPHONE CALL

TO: Donald Kendall
Chairman and Chief Executive Officer
(914) 253-3000
(Between 5-20-82 and 5-22-82 he may
be reached at 809-327-4271 in the
Bahamas.)

DATE: May 19, 1982

FROM: Richard S. Williamson *Rich*

PURPOSE: To ask him to be National Finance
Chairman of an independent citizens
organization to promote the Balanced
Budget Amendment.

BACKGROUND: The President Reagan Balanced Budget
Committee is being formed to emphasize
your commitment to getting government
under control and balancing the budget.

TOPICS OF DISCUSSION:

1. I know you share my concerns about
the growth of big government and the
lack of fiscal responsibility in this
country.
2. I am supporting passage of the
Balanced Budget Amendment which I
spoke about in my message to the
nation on April 29, 1982.
3. A committee is being formed (The
President Reagan Balanced Budget
Committee) to promote passage of
a Balanced Budget Amendment.
4. I would like you to serve as the
National Finance Chairman of the
President Reagan Balanced Budget
Committee.

5. Acting now and working together, I know we can do the right thing for this country we all love so much.
6. Andre LeTendre, who will serve as Executive Director, will follow-up with you on the details.
7. If you will agree to serve as National Finance Chairman of this effort, I would like to make the announcement next week.

DATE OF SUBMISSION: May 19, 1982

ACTION _____

DRAFT LETTER
TO POTENTIAL MEMBERS OF THE BALANCED BUDGET COMMITTEE

Dear [NAME]:

I know you share my concerns about the growth of big government and the lack of fiscal responsibility that presently exists in this country. We need to get our economy moving again and to do that we must enact a federal budget that will bring down deficits and interest rates. A prompt resolution of the budget debate is essential and to ensure that we maintain a balanced budget long after I've left office, I am supporting passage of the Balanced Budget Amendment which was the focus of my message to the nation on April 29, 1982.

The President Reagan Balanced Budget Committee is being formed to promote passage of a Balanced Budget Amendment, and I would like you to serve on the national committee. I have asked Milton Friedman, noted economist and author, and Edith Green, former Democratic Congresswoman from Oregon, to co-chair this important independent citizens' organization. Donald Kendall, Chairman and Chief Executive Officer of Pepsi Co. Inc. has agreed to be National Finance Chairman.

Acting now and working together, I know we can achieve these goals and do the right thing for this nation we all love so much.

With appreciation and best wishes,

Sincerely,

Ronald Reagan

THE WHITE HOUSE

WASHINGTON

May 17, 1982

MEMORANDUM FOR MICHAEL DEEVER

FROM: RICHARD S. WILLIAMSON 
SUBJECT: BALANCED BUDGET AMENDMENT

Per this morning's meeting on the Balanced Budget Amendment, I have attached a working paper.

Rick Neal will sit down with Red Cavaney and coordinate our efforts.

Attachment

STRATEGY

The Balanced Budget Amendment Reinforces President Reagan's policy and political objectives.

- Clean issue with no big downside.
- Reinforces Ronald Reagan's anti-big government posture (not withstanding deficits.)
- Reinforces Ronald Reagan's fiscal responsibility posture.
- Helps Republican and Conservative candidates in the '82 elections by creating a positive issue to run on.

ORGANIZATION

National Committee

A national committee would be formed (504(c)(3)) with the objective of passage by Congress and ratification by the states of a balanced budget amendment.

Announcement/Timing

Target:

- Presidential event on Capitol steps.
- May 24 or 25 Kick-off
- July 4th - National Network Complete
 - Presidential Event
 - State events
 - Mailing

Co-chairmen of the national committee would come from the following:

- Private Citizen
- Governor
- Mayor
- State Legislator
- U.S. Senator
- U.S. Representative
- Business
- Special Interest

In addition, the national committee would be made up of national leaders from the following:

- Business
- Academic Community
- Economists
- Special Interest Groups
- Law

- Labor
- Religion
- Ethnic
- Media
- Political Leaders (former and current)
- Agriculture

A regional and political spread should be readily apparent within the makeup of the committee.

Efforts should be made to communicate and coordinate with other national committees interested in the "Balanced Budget Amendment."

- National Tax Limitation Committee
- National Tax Payers Union
- American Legislative Exchange Council

The leadership of these committees should be invited to the White House within the next week in order to fully coordinate them into this exercise.

State Committee

The states and territories would each form a committee using criteria similar to that used for the national committee. Particular attention should be paid to local demographics as to the make-up of the committee (urban, rural ethnic, etc.).

Thirty-one states have formally petitioned Congress to call a Constitutional Convention to propose a balanced budget amendment. Alaska is the latest state to have passed a resolution calling for a balanced budget amendment (January, 1982). When three more states call for a convention, Congress must act on its own proposed constitutional amendment or call a convention.

31 State Legislatures Which Have Passed a Resolution Calling For A Constitutional Convention on a Balanced Federal Budget Amendment

Alabama	Kansas	Oklahoma
Alaska	Louisiana	Oregon
Arizona	Maryland	Pennsylvania
Arkansas	Mississippi	South Carolina
Colorado	Nebraska	South Dakota
Delaware	Nevada	Tennessee
Florida	New Hampshire	Texas
Georgia	New Mexico	Utah
Idaho	North Carolina	Virginia
Indiana	North Dakota	Wyoming
Iowa		

Ten additional states have passed similar resolutions in one house or another:

Washington	West Virginia	Ohio
Montana	Hawaii	Rhode Island
California	Kansas	
Alaska	Missouri	

Thirty-nine states have constitutional provisions limiting their ability to incur budget deficits. An additional eight states have enacted statutory constraints to this effect (list attached).

Alaska, California, Delaware, Illinois, Louisiana, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, and Wisconsin are the only state legislatures which are still in session.

Congressional District Committee

Congressional District Committees should be organized with the purpose of applying direct pressure both locally and in Washington, D.C. Again, local demographics should guide the make-up of the committee.

Funding of the Committee

A finance committee should be organized.

A 504 (c)(3) would be able to accept unlimited individual as well as corporate contributions.

A vigorous direct mail program would serve a dual purpose of raising funds and educating the public.

TACTICS

White House Briefings

Briefings would be provided for:

- National Committee/State Committee/Congressional Committee
- Governors
- State Legislators
- Mayors and local officials
- Business
- Ethnic
- Academic
- Special Interest Groups
- Political Leaders
- Congress

Mailings

National/State/Congressional committees should be kept up to date on the progress of the balanced budget amendment in Congress and in various states. They should receive copies of the President's remarks, editorials, articles, etc. to ensure that they are aware of the state of play.

Speeches and Articles

Speeches and articles should be generated which would seek to educate the public on the President's economic policies and urge support for a balanced budget amendment.

T.V., Radio and Newspaper Ads

T.V., radio and newspaper ads should be made available across the nation. The ads would be organized so that local information could be plugged in as appropriate.

Feedback

All efforts should attempt to generate thousands of letters and phone calls to Congress and the State Houses demanding that they support President Reagan and pass the balanced budget amendment.

Also, particular emphasis should be placed on states with priority Senate, House, and gubernatorial campaigns.

PROPOSED

NATIONAL COMMITTEE

Chairman - Milton Friedman/Bill Simon/Gerald Ford

Co-chairmen

Governors

Bill Clements (R-Texas)
George Busbee (D-Georgia)
Charles Thone (R-Nebraska)
Dick Thornburgh (R-Pennsylvania)

State Legislators

Bill Campbell (R-California)
John Bragg (D-Tennessee)
Hugh Farley (R-New York)
Clarence Mitchell (D-Maryland) (Nat'l Conf. of Black Legislators)

Mayors

Margaret Hance (R-Phoenix)
Patience Latting (D-Oklahoma City)
Henry Cisneros (D-San Antonio)
Ed Koch (D-New York)
Johnny Ford - President, Congress of Black Mayors

County Officials

Bill Murphy (R-New York)

Business

~~Justin Dart - Dart Industries~~
National Federation of Independent Businesses
National Association of Manufacturers
American Farm Bureau Federation
Westinghouse
U.S. Steel
Mobil
National Chamber of Commerce
Amway
National Cattlemen's Association
Business Round Table

Academics

Milton Friedman - University of Chicago
Robert Bork - Professor of Law - Yale University
Paul McCrackan - Professor of Economics - University of Michigan
Robert Nisbet - American Enterprise Institute

U.S. Senators

Strom Thurmond (R-South Carolina)
Orrin Hatch (R-Utah)
Dennis Dominici (D-Arizona)

U.S Representatives

Ed Jenkins (D-Georgia)
Barber Conable (R-New York)
Phil Gramm (D-Texas)

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

April 28, 1982

BALANCED BUDGET CONSTITUTIONAL AMENDMENT

S.J. Res 58 now has 53 co-sponsors (39 Republicans and 14 Democrats). The principal sponsors are Thurmond and Hatch.

H.J. Res 350, as of Wednesday, April 28, has 201 co-sponsors (147 Republicans and 54 Democrats). The principal sponsors are Conable (R-NY) and Jenkins (D-GA).

S.J. Res 58 and H.J. Res 350 are identical.

To pass, 2/3 of those present in the Senate and House must vote "aye."

32 states have endorsed a call for a Constitutional Convention. 34 are required for a Convention. 38 states required to ratify under this approach, which is the same ratification process required under the legislative approach.

Since 1960, there has been only one balanced budget.

What S.J. Res 58 and H. J. Res 350 do:

SECTION 1: Prior to the beginning of each fiscal year, Congress must adopt a statement of income (receipts or taxes) and expenses (outlays) for the upcoming fiscal year which provides that income cannot exceed expenses. The Congress and the President are charged with ensuring this is adhered to. If the Congress wants to amend this during the year, both the Senate and House must concur and 3/5 of the whole number must support such a waiver. 261 hard votes in the House and 61 hard votes in the Senate.

SECTION 2: Provides that taxes cannot increase any faster than national income. In other words, the budget can't be balanced simply by raising taxes disproportionately. This can be amended by Congress if a simple majority of the whole number of both the Senate and House (218 Hard votes in the House and 51 hard votes in the Senate).

SECTION 3: Provides that Congress may waive the budget balancing provisions for any fiscal year in which a declaration of war is in effect.

SECTION 4: Provides that Congress may not require that the states engage in additional activities without compensation equal to the additional costs. In other words, the states are protected from the Feds shifting expensive programs to them without providing financing to support such programs.

SECTION 5: Total receipts shall include all receipts of the United States except those derived from borrowing and total outlays shall include all outlays of the United States except those for repayment of debt principal.

SECTION 6: This article shall take effect for the second fiscal year beginning after its ratification.

On May 19, 1981, the Senate Judiciary Committee reported S.J. Res. 58 favorably 11-5. It is now ready for Senate Floor debate.

In the House, Chairman Rodino of the House Judiciary Committee, is purposely delaying committee action.

AS REPORTED OUT
ON 7/10/81

Calendar No. 193

97TH CONGRESS
1ST SESSION

S. J. RES. 58

[Report No. 97-151]

Proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures.

IN THE SENATE OF THE UNITED STATES

MARCH 27 (legislative day, FEBRUARY 16), 1981

Mr. THURMOND (for himself, Mr. HATCH, Mr. DeCONCINI, Mr. SIMPSON, Mr. HEFLIN, Mr. LAXALT, Mr. BAKER, Mr. BOREN, Mr. DENTON, Mr. HARRY F. BYRD, JR., Mr. DOLE, Mr. COCHRAN, Mr. EAST, Mr. LUGAR, Mr. ARMSTRONG, Mr. GARN, Mr. GRASSLEY, Mr. NICKLES, Mr. MURKOWSKI, Mr. ANDREWS, Mr. HUMPHREY, Mr. HELMS, Mr. GOLDWATER, Mr. MCCLURE, Mr. PRYOR, Mr. JEPSEN, Mr. KASTEN, Mr. PRESSLER, Mr. ZORINSKY, Mrs. HAWKINS, Mr. MATTINGLY, Mr. WARNER, Mr. EXON, Mr. WALLOP, Mr. QUAYLE, Mr. ABDNOR, Mr. RUDMAN, Mr. SYMMS, Mr. HAYAKAWA, Mr. SCHMITT, Mr. BOSCHWITZ, Mr. DOMENICI, Mr. D'AMATO, Mr. DURENBERGER, Mr. PROXMIRE, Mr. DANFORTH, and Mr. JOHNSTON) introduced the following joint resolution; which was read twice and referred to the Committee on the Judiciary:

JULY 10 (legislative day, JULY 8), 1981

Reported by Mr. HATCH, with an amendment and an amendment to the title

[Omit the part struck through and insert the part printed in italic]

JOINT RESOLUTION

Proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled*
3 *(two-thirds of each House concurring therein), That the fol-*
4 *lowing article is proposed as an amendment to the Constitu-*
5 *tion of the United States, which shall be valid to all intents*
6 *and purposes as part of the Constitution if ratified by the*
7 *legislatures of three-fourths of the several States within*
8 *seven years after its submission to the States for*
9 *ratification:*

10 “ARTICLE —

11 “SECTION 1. The Congress shall adopt for each year a
12 budget, which shall set forth the total receipts and outlays of
13 the United States. No budget in which outlays exceed total
14 receipts shall be adopted, unless three-fifths of each House of
15 Congress duly sworn and elected approve such budget by a
16 rollcall vote directed solely to that subject. The Congress
17 shall not pass and the President shall not sign any bill which
18 would cause the total outlays for any year to exceed the total
19 expenditures in the budget for such year.

20 “SECTION 2. The receipts in any year shall not be re-
21 tained for use of the Treasury in an amount which exceeds as
22 a proportion of the national income, that retained for the

1 prior year, unless a bill directed solely at approving a specific
2 increase in such proportion has been passed by a majority of
3 each House duly sworn and elected and such bill has become
4 law.

5 "SECTION 3. The Congress may waive the provisions of
6 sections 1 and 2 with respect to any single year in which a
7 declaration of war is in effect.

8 "SECTION 4. The Congress shall have the power to en-
9 force this article by appropriate legislation.

10 "SECTION 5. This article shall take effect on the first
11 day of January of the second calendar year beginning after
12 its ratification."

13 "SECTION 1. Prior to each fiscal year, the Congress
14 shall adopt a statement of receipts and outlays for that year
15 in which total outlays are no greater than total receipts. The
16 Congress may amend such statement provided revised out-
17 lays are no greater than revised receipts. Whenever three-
18 fifths of the whole number of both Houses shall deem it neces-
19 sary, Congress in such statement may provide for a specific
20 excess of outlays over receipts by a vote directed solely to that
21 subject. The Congress and the President shall ensure that
22 actual outlays do not exceed the outlays set forth in such
23 statement.

24 "SECTION 2. Total receipts for any fiscal year set forth
25 in the statement adopted pursuant to this article shall not

1 increase by a rate greater than the rate of increase in nation-
2 al income in the last calendar year ending before such fiscal
3 year, unless a majority of the whole number of both Houses
4 of Congress shall have passed a bill directed solely to approv-
5 ing specific additional receipts and such bill has become law.

6 "SECTION 3. The Congress may waive the provisions
7 of this article for any fiscal year in which a declaration of
8 war is in effect.

9 "SECTION 4. The Congress may not require that the
10 States engage in additional activities without compensation
11 equal to the additional costs.

12 "SECTION 5. Total receipts shall include all receipts of
13 the United States except those derived from borrowing and
14 total outlays shall include all outlays of the United States
15 except those for repayment of debt principal.

16 "SECTION 6. This article shall take effect for the second
17 fiscal year beginning after its ratification."

Amend the title so as to read: "Joint resolution pro-
posing an amendment to the Constitution altering Federal
budget procedures."

97TH CONGRESS
1ST SESSION

S. J. RES. 58

Proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures.

IN THE SENATE OF THE UNITED STATES

MARCH 27 (legislative day, FEBRUARY 16), 1981

Mr. THURMOND (for himself, Mr. HATCH, Mr. DeCONCINI, Mr. SIMPSON, Mr. HEFLIN, Mr. LAXALT, Mr. BAKER, Mr. BOREN, Mr. DENTON, Mr. HARRY F. BYRD, JR., Mr. DOLE, Mr. COCHRAN, Mr. EAST, Mr. LUGAR, Mr. ARMSTRONG, Mr. GARN, Mr. GRASSLEY, Mr. NICKLES, Mr. MURKOWSKI, Mr. ANDREWS, Mr. HUMPHREY, Mr. HELMS, Mr. GOLDWATER, Mr. McClURE, Mr. PRYOR, Mr. JEPSEN, Mr. KASTEN, Mr. PRESSLER, Mr. ZORINSKY, Mrs. HAWKINS, Mr. MATTINGLY, Mr. WARNER, Mr. EXON, Mr. WALLOP, Mr. QUAYLE, Mr. ABDNOR, Mr. RUDMAN, Mr. SYMMS, Mr. HAYAKAWA, Mr. SCHMITT, Mr. BOSCHWITZ, Mr. DOMENICI, Mr. D'AMATO, Mr. DURENBERGER, and Mr. PROXMIRE) introduced the following joint resolution; which was read twice and referred to the Committee on the Judiciary

JOINT RESOLUTION

Proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures.

- 1 *Resolved by the Senate and House of Representatives*
- 2 *of the United States of America in Congress assembled*
- 3 *(two-thirds of each House concurring therein), That the fol-*
- 4 *lowing article is proposed as an amendment to the Constitu-*

1 tion of the United States, which shall be valid to all intents
2 and purposes as part of the Constitution if ratified by the
3 legislatures of three-fourths of the several States within
4 seven years after its submission to the States for
5 ratification:

6 "ARTICLE—

7 "SECTION 1. The Congress shall adopt for each year a
8 budget, which shall set forth the total receipts and outlays of
9 the United States. No budget in which outlays exceed total
10 receipts shall be adopted, unless three-fifths of each House of
11 Congress duly sworn and elected approve such budget by a
12 rollcall vote directed solely to that subject. The Congress
13 shall not pass and the President shall not sign any bill which
14 would cause the total outlays for any year to exceed the total
15 expenditures in the budget for such year.

16 "SECTION 2. The receipts in any year shall not be re-
17 tained for use of the Treasury in an amount which exceeds as
18 a proportion of the national income, that retained for the
19 prior year, unless a bill directed solely at approving a specific
20 increase in such proportion has been passed by a majority of
21 each House duly sworn and elected and such bill has become
22 law.

23 "SECTION 3. The Congress may waive the provisions of
24 sections 1 and 2 with respect to any single year in which a
25 declaration of war is in effect.

1 "SECTION 4. The Congress shall have the power to en-
2 force this article by appropriate legislation.

3 "SECTION 5. This article shall take effect on the first
4 day of January of the second calendar year beginning after
5 its ratification.".

○

keep here

April 28, 1982

TALKING POINTS ON THE BUDGET

- o President Reagan went more than half way in his three hour meeting with Speaker O'Neill. On every major issue still in contention, the President offered to split the differences -- to no avail.
- o As White House chief-of-staff Jim Baker said, the President expected give and take from the Democrats; there was almost all take and no give.
- o The month long negotiations to find a compromise were initiated by the White House in an unprecedented effort to work out a bipartisan compromise before taking the budget to the floor.
- o The President had said many times that now was the time for a genuine bipartisan effort in order to bring a strong, healthy recovery.
- o In his talk with the Speaker, the President indicated a willingness to accept:
 - \$122 billion in revenue increases in the three fiscal years 1983-85 -- two and a half times his original February proposal; (The President continued to insist that the third year of tax cuts be protected.)
 - \$28 billion in cuts in his defense budget proposals over the same three year period;
 - splitting the difference on other domestic programs, adding more in some cases and cutting more in others than his February budget called for.
- o Agreement was not reached because the Democratic leadership did not show the same spirit of conciliation evidenced by the President.

*Set up
picked*

BALANCED BUDGET AMENDMENT

It is proposed that an independent citizen's organization be formed to spearhead passage of the balanced budget amendment. This bi-partisan umbrella organization would be designed to generate grassroots support for each of the two phases critical to passage. The objective of Phase I is passage of SJ Res 58 and HJ Res 350 in the current session of Congress, hopefully before the debt ceiling vote. Phase II's objective is ultimate ratification by the requisite number of states.

Structure

It is envisioned that the organizational figureheads would be National Co-chairmen and, therefore, propose the following:

Howard Jarvis
Governor
Mayor
State Legislator
Senator
Representative
Lewis K. Uhler

A National Steering Committee would be formed of key donors and spokesmen.

The day-to-day operations and oversight responsibility will be borne by an Executive Director. In this regard, it is proposed that Grover Norquist serve in this capacity for Phase I. His resume is attached. As the new Executive Director of Americans for the Reagan Agenda, he could take this on as his first major task and utilize his current facilities, thereby keeping fixed overhead to a minimum during Phase I. Phase I staff would consist of the Executive Director, a fund raiser and a secretary. Phase I (six months) funding is projected at \$100,000.

Individual state chairmen and/or co-chairmen would also be appointed for all 50 states and asked to develop their own state-wide steering committees.

Announcement

To gain maximum national publicity, it is proposed that the announcement coincide with Presidential recognition, preferably an event announcing his support for SJ Res 58 and HJ Res 350. Under consideration is a Presidential announcement from the Capitol steps with Members and supporters in attendance. The Senate steps would pose no problem, but contact has not been made with the Speaker regarding the main steps. Invitees, in addition to Senate and House sponsors would include governors from states with balanced budget laws on books and those in favor of such state legislation, members of this national citizen's committee, members of organizations dedicated to fiscal responsibility (National Tax Limitation Committee, etc.) and general-purpose organizations who favor balanced budget legislation.

In conjunction with such an event, it would be important to have a briefing session at the White House to fully prepare supporters to immediately begin advocacy. The primary advocacy thrust would be concentrated in the Congressional districts during Phase I. Preferably, six weeks are needed from time of announcement until maximum grassroots impact can be observed. Less than three weeks, and the result is negligible.

Timing

Initial discussion focused on a May 24 or 25 announcement, immediately prior to the President's departure for California and the Members' Memorial Day recess. This was based on a late-June debt ceiling vote with an SJ Res 58 vote in mid-June and an HJ Res 350 discharge petition and vote shortly thereafter.

It now appears that the House vote on the FY 1983 budget proposals will be on Monday, May 24. This causes the added problem of "losing" the balanced budget news item amidst the coverage of the House vote and its immediate aftermath.

If the debt ceiling vote can be deferred until late-July/early-August, it may be preferable to target the immediate post-European period for the announcement. Such a delay will not adversely affect the independent citizen's organization, which can get immediately underway with recruitment and fund-raising. An Oval Office photo (5 min.) for the "in-organization" group could help speed their efforts in the absence of the actual public Presidential event in late May.

Tactics

The key thrust will be targeted toward the following avenues:

- a. Speaker's Bureau: On the national level, effort at providing speakers with name recognition for key media events and major national forums. Will require briefing Fact Sheet and Sample Speech.
- b. Local Newspaper Ads: To prepare camera-ready copy of an ad to be provided to all local committees. Locals only need typeset name of Members to be contacted and obtain funds through local contributions in order to place ad.
- c. Tailored Radio Spots: Preparation of "masters" that can be provided to locals for tailoring and subsequent placement, based on local contributions.
- d. Direct Mail: Rather than incur expense of a newsletter, will look to established mailers for placement of op-ed pieces and articles regarding the establishment of an independent citizen's committee and urging contact to get support for the balanced budget amendment.

GROVER NORQUIST

Age 26

Harvard College B.A.--Economics

Harvard Business School M.B.A.

Currently Executive Director, Americans for the Reagan Agenda, a new lobby chaired by Lyn Nofziger which has just begun to operate.

Also doing creative work with Voters for Common Sense, a California organization concentrating on opposing the political ambitions of Tom Hayden.

Until April, 1982 was Executive Director of College Republican National Committee. Managed there a budget of more than \$200,000 and extensive field program which brought number of College Republican clubs to all time record of more than 1,100 clubs.

From spring, 1978 through summer, 1979 was on staff of National Taxpayers Union, first as Associate Director and then as Executive Director.

Worked for Howard Jarvis for one month in 1979 before returning to Harvard to enter Business School.

Good working relationship with leaders of the National Tax Limitation Committee including Craig Stubblebine of Claremont College who drafted the Balanced Budget-Tax Limitation Amendment.

Hard working, talented, well acquainted with tax-coalition leaders across the country.

BALANCED BUDGET AMENDMENT - ISSUES

- A. Partisan?
RNC?
- B. Campaign involvement (?)
504 (c) (3)?
- C. Relation existing committees?
 - Tax Limitation Committee
 - National Taxpayers' Union
 - ALEC

-
- I. National chairmen/National committee
 - II. State co-chairmen/State committees
 - III. CD chairmen/CD committees
 - IV. Financial
 - Committee
 - Big Hitters
 - Direct mail (?)
 - Corporate contributions/PAC
-

Criteria

Economic credibility (academic, business)
Ethnic outreach
Business outreach
IGA
Political support (candidates)