

ALASKA LEGISLATIVE COMMITTEE

1715 SJ SJR 25 - SJR 55

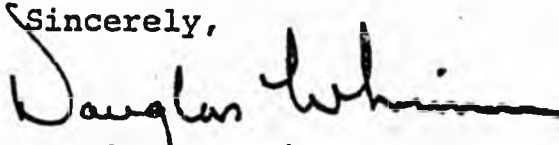
Robert B. Moore

-2-

July 25, 1973

These comments have been presented in keeping with Section 106 procedures under the Historic Preservation Act.

Sincerely,

A handwritten signature in cursive script that reads "Douglas M. Whisman". The signature is written in dark ink and is positioned above the typed name.

Douglas M. Whisman  
Historic Preservation Specialist  
Administrative Services

DMW:cq

APPENDIX C  
POSITIONS OF STATE AND LOCAL GOVERNMENTS

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

STATE PLANNING AND RESEARCH

WILLIAM A. EGAN, GOVERNOR

POUCH AD — JUNEAU 99801  
PHONE 586-5386

Mr. Rodger W. Pegues  
Assistant Director, Cooperative Activities  
U. S. Department of the Interior  
National Park Service  
Pacific Northwest Region  
931 Fourth and Pike Building  
Seattle, Washington 93101

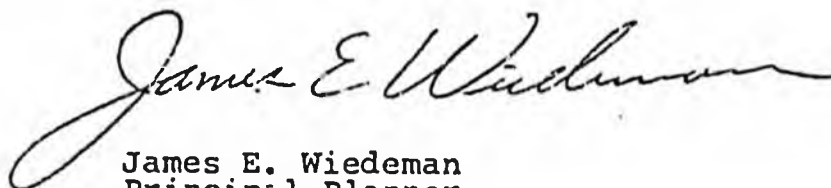
Dear Mr. Pegues:

Enclosed are the comments of the State of Alaska concerning the Draft Master Plan for the Proposed Klondike Gold Rush National Park.

The State of Alaska would like to express its appreciation for the opportunity to respond on this proposal. The State is in enthusiastic support of the park concept contained in the Draft Master Plan, and with the resolution of the few points of concern contained in the following report, the State looks forward with anticipation to the creation of the historical park.

I hope that the comments contained in the enclosed report will be of benefit to you in your planning process, and if the State can be of any further assistance in providing either additional information or review, please do not hesitate to contact this office.

Very truly yours,



James E. Wiedeman  
Principal Planner

Enclosure

C O P Y

Introduced: 2/11/74

Referred: Resources and Finance

BY BANFIELD, M. MILLER, BARBER, BRADNER,  
CARROL, CHANCE, DEGNAN, FERGUSON, FISCHER,  
FREEMAN, FRITZ, GARDINER, GUY, HUBER  
LAKTONEF, MCGILL, MCVEIGH, MALONE, MEEKINS,  
J. MILLER, NAUGHTON, OSE, PETERSEN, RANDOLPH,  
SAYLORS, SPECKING, URION, WARWICK, AND WILSON

IN THE HOUSE

HOUSE JOINT RESOLUTION NO. 74

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTH LEGISLATURE - SECOND SESSION

Supporting S. 1622 and HR 7121

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS S. 1622 and HR 7121, bills which would authorize the Secretary of the Interior to establish the Klondike Gold Rush National Historical Park in the states of Alaska and Washington, are pending before the United States Congress, and

WHEREAS the proposed park would consist of a Skagway unit, a Chilkoot Trail unit, a White Pass Trail unit, and a Seattle unit; and

WHEREAS the proposed legislation would also permit the Secretary of the Interior to consult and cooperate with appropriate officials of the Canadian Government as well as appropriate provincial and territorial officials in Canada in order to make the proposed park a truly international historic park; and

WHEREAS a main objective in forming the proposed park would be to protect and perpetuate the historical and natural values of the gold rush trails and historic buildings relating to the Klondike Gold Rush of 1897-98; and

C O P Y

C O P Y

WHEREAS this scenic-historic-cultural addition to the National Park System could provide immense economic value to Alaska in the form of expanded tourist revenues; and

WHEREAS the route of the park would traverse one of the most spectacularly beautiful, as well as historically and culturally important, areas in the nation; and

WHEREAS, to date, no area within the National Park System has been singled out to illustrate the gold rush phase of our national heritage;

BE IT RESOLVED by the Alaska State Legislature that it strongly supports S. 1622 and HR 7121 and urges the Congress of the United States to expedite passage of these proposals at the earliest possible time.

COPIES of this resolution shall be sent to the Honorable Rogers C. B. Morton, Secretary, Department of the Interior; the Honorable Henry M. Jackson, Chairman, Senate Interior and Insular Affairs Committee; the Honorable James A. Haley, Chairman, House Interior and Insular Affairs Committee; and to the Honorable Ted Stevens and the Honorable Mike Gravel, U. S. Senators, and the Honorable Don Young, U. S. Representative, members of the Alaska delegation in Congress.

C O P Y



OFFICE OF THE MAYOR · CITY OF SEATTLE

WES UHLMAN MAYOR

November 27, 1972

Mr. Rodger W. Pegues  
Assistant Director  
Pacific Northwest Region  
National Park Service  
Fourth & Pike Building  
Seattle, Washington 98101

Dear Mr. Pegues:

We have recently received your proposed bill authorizing the Secretary of the Interior to establish the Klondike Gold Rush Park in the states of Alaska and Washington.

The City of Seattle welcomes the opportunity to be part of such an historical park and enthusiastically supports the bill as proposed. Specifically, we are excited about that section of the bill related to the Pioneer Square Historic District and the acquisition of the Pioneer Building, the Historic District's most renowned architectural and historical monument.

Again, we wholeheartedly support this bill and will be most happy to cooperate in any way to speed its passage.

Sincerely,

A handwritten signature in cursive script, reading "Wes Uhlman".

Wes Uhlman  
Mayor

WU:lph

C O P Y

RESOLUTION 24596

A RESOLUTION supporting the recommendations of the Klondike Gold Rush National Historical Park with respect to creation of a Klondike interpretive center in Seattle's Pioneer Square Historic District and urging the Congress of the United States to adopt the recommendations and appropriate funds.

WHEREAS, the stampede for supplies and passage to the Klondike Gold Rush of 1897-1898 can still be traced in a ribbon of historical and recreational zones stretching from Seattle, Washington, to Skagway, Alaska, through Dawson, Yukon Territory, and beyond, and

WHEREAS, a new, unique, international Klondike Gold Rush National Historical Park has been proposed by the National Park Service to ensure the maximum preservation, the most comprehensive interpretation, and the most advantageous use of the resources of the ribbon of areas relating to the Klondike epic, and

WHEREAS, Seattle, located at the southern end of the region, is a major shipping port for the Pacific Northwest, as well as the most important departure point for travel and tourism to Alaska and the Yukon Territory, and

WHEREAS, it was upon the arrival of the S. S. Portland in 1897 from Skagway with her gold-laden miners that the first word of "Gold! Gold in the Klondike!" reached Seattle docks and spread to the outside world, and

WHEREAS, it was through this then-small waterfront city that thousands of stampedeers poured, heading for the Yukon; and it was Seattle to which most returned, and

WHEREAS, much of the early Seattle still remains, set aside under municipal zoning as the Pioneer Square Historic District, and entered in the National Register, and

WHEREAS, as gateway to Alaska and the Yukon, Seattle is ideally suited for introducing the saga of the Klondike Gold Rush, and

WHEREAS, The District lacks a major interpretive center and the resources to create one; Now Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING:

That the recommendations of the Klondike Gold Rush National Historical Park Master Plan with respect to Seattle, to wit:

"In order to re-create a vital and stimulating link in the Klondike Gold-Rush story, and to assist in the rightful restoration of the historical district, the National Park Service proposes to:

Lease suitable space within the Pioneer Square Historic District for exhibitions, interpretive programs, theatrical presentations, living history demonstrations, and supporting services.

C O P Y

C O P Y

Encourage restoration of historic structures in the area in cooperation with the city of Seattle and the Pioneer Square Association.

Develop an interpretive plan for the Pioneer Square District, in cooperation with the city and the association, re-creating through special events, tours, and exhibits, the living history of the gold-rush days.

Acquire and display historic objects and documents of the gold-rush era, and, through a multimedia facility and living interpretive programs, interpret the entire story of the gold rush, from Seattle to Dawson."

are hereby supported and the Congress of the United States is hereby urged to adopt the recommendations and appropriate funds to bring this exciting new park into reality.

PASSED by the City Council this 17 day of June, 1974, and signed by me in open session in authentication of its passage this 17 day of June, 1974.

/s/ Sara Smith  
President of the City Council

Filed by me this 17 day of June, 1974.

ATTEST: /s/ C. G. Erlandson  
City Comptroller and City Clerk

BY: /s/ J. F. Fenton  
Deputy

I concur: /s/ Wes Uhlman  
Mayor

C O P Y

# CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF '98"

P. O. BOX 415  
SKAGWAY, ALASKA 99840

September 1, 1972

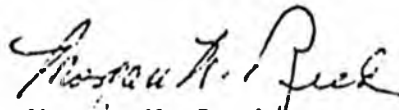
Mr. Rodger W. Pegues  
Assistant Director,  
Cooperative Activities  
National Park Service  
931 Fourth and Pike Building  
Seattle, Washington 98101

Dear Mr. Pegues:

This is in answer to your letter dated August 29, 1972.

The City of Skagway wholeheartedly supports the proposal for a Klondike Gold Rush National Historical Park and are anxiously awaiting future developments.

Yours truly,

  
Morgan W. Reed,  
Mayor

APPENDIX D

topography/boundary

SCALE 1" = 1 MILE

LEGEND

- PROPERTY BOUNDARY LINE
- - - PROPOSED (NPS) BOUNDARY L.
- - - POSSIBLE COMPLEX BOUNDARY

LAND  
ADMINISTERED  
BY BLM

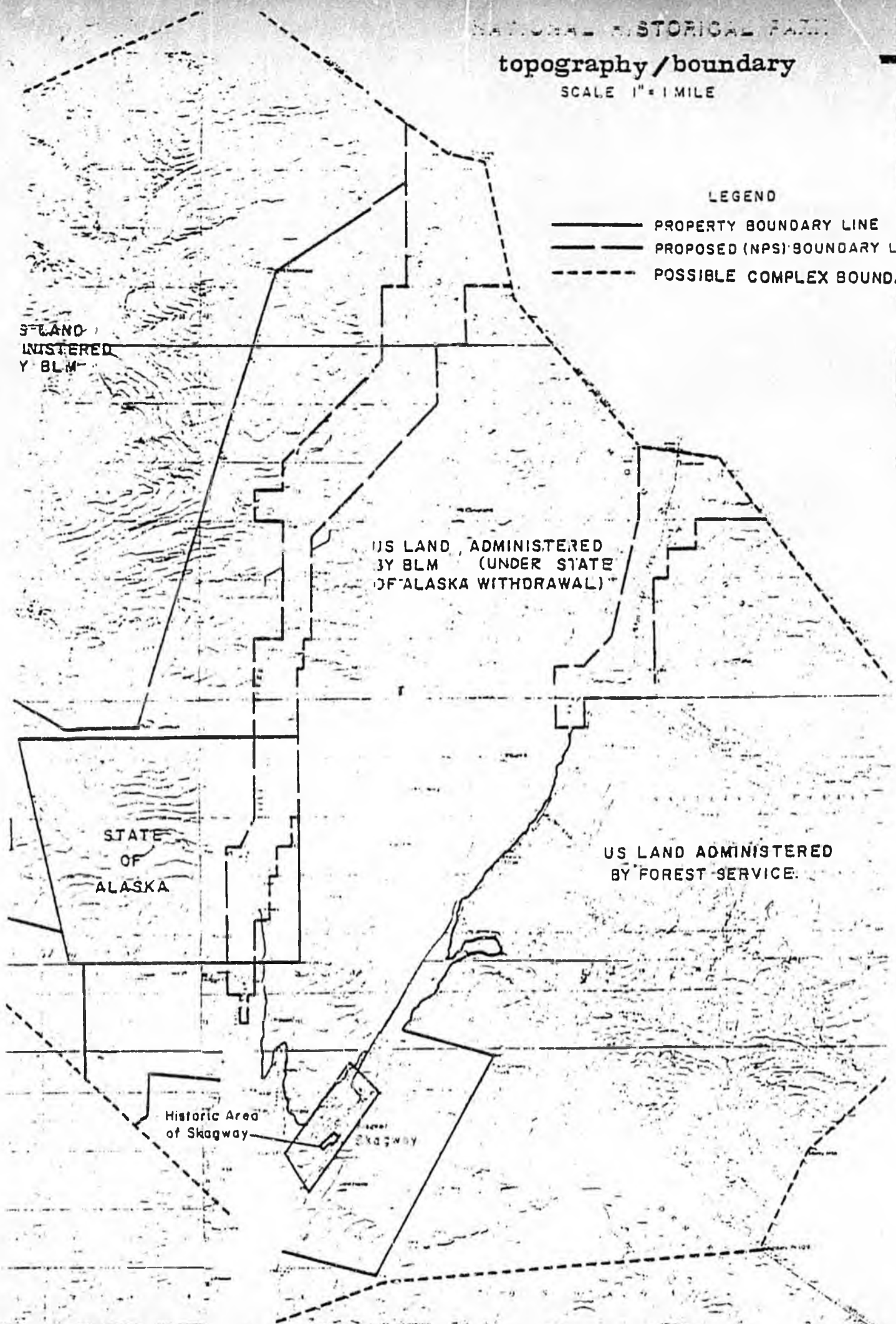
US LAND ADMINISTERED  
BY BLM (UNDER STATE  
OF ALASKA WITHDRAWAL)

STATE  
OF  
ALASKA

US LAND ADMINISTERED  
BY FOREST SERVICE

Historic Area  
of Skagway

Skagway



SJR

30

COMMITTEE REPORT  
SENATE

4/8/81

FURTHER: None

Date: June 21, 1981

Mr. President:

The Committee on JUDICIARY has had SJR 30

amendment to the Constitution of the United States which would require total federal appropriations not exceed total estimated federal revenues

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for SJR 30  same title  
 new title
- and recommends HAS INDIVIDUAL RECOMMENDATIONS
- AID attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Charles H. ...

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

See Page 10 REC

CHAIRMAN

DO PASS



Official Business

# Alaska State Legislature

Senate

Committee on Judiciary

Pouah V  
State Capitol  
Juneau, Alaska 99811

## S A M P L E

(Memory #37 - responding to post cards on SJR 30)

June 17, 1981

Thank you for your support of SJR 30, "Relating to an amendment to the Constitution of the United States which would require that total federal appropriations not exceed total estimated federal revenues in a fiscal year in the absence of a national emergency."

On April 8, 1981, I introduced SJR 30, urging that the State of Alaska join with thirty other states requesting congressional action on a balanced budget amendment.

I have held this bill in the Judiciary Committee at the request of several members of the committee. They are concerned that a constitutional convention be limited to balancing the budget. I am confident that we can develop language to meet those concerns, and I am hopeful of passage of this important legislation during the second session.

Sincerely,

Senator Patrick M. Rodey  
Chairman

PMR/ods

ALL ADDRESSED TO SEN. ROADY

065

Dear Senator:

Please vote for Senate Joint Resolution #30 and work for its passage. Congress is not going to get serious about balancing the federal budget unless we join the other thirty states demanding action on a constitutional balanced budget amendment right now.

Thank you.

S. Hennings  
NAME  
Bx 8790  
ADDRESS  
Indian AK 99540

Dear Senator:

Please vote for Senate Joint Resolution #30 and work for its passage. Congress is not going to get serious about balancing the federal budget unless we join the other thirty states demanding action on a constitutional balanced budget amendment right now.

Thank you.

L.L.L. Arveson  
NAME  
Box 194 (112117th St)  
ADDRESS  
Anchorage, AK 99512

Dear Senator:

005

Please vote for Senate Joint Resolution #30 and work for its passage. Congress is not going to get serious about balancing the federal budget unless we join the other thirty states demanding action on a constitutional balanced budget amendment right now.

Thank you.

Lorna G. Keaton  
NAME  
2808 W. 32nd  
ADDRESS  
Anch. AK 99503

Dear Senator:

065

Please vote for Senate Joint Resolution #30 and work for its passage. Congress is not going to get serious about balancing the federal budget unless we join the other thirty states demanding action on a constitutional balanced budget amendment right now.

Thank you.

Lorraine G. Lamoureux  
NAME  
Rene Lamoureux  
ADDRESS  
2808 W 32nd Ave  
Anchorage, Alaska 99502

Dear Senator:

065

Please vote for Senate Joint Resolution #30 and work for its passage. Congress is not going to get serious about balancing the federal budget unless we join the other thirty states demanding action on a constitutional balanced budget amendment right now.

Thank you.

Rene W. "Gus" Lamoureux  
NAME  
2808 W. 32nd Ave  
ADDRESS  
Anchorage, Alaska 99503

Dear Senator:

065

Please vote for Senate Joint Resolution #30 and work for its passage. Congress is not going to get serious about balancing the federal budget unless we join the other thirty states demanding action on a constitutional balanced budget amendment right now.

Thank you.

Walter F & Gene O. White  
NAME  
1505 W 34 Ave  
ADDRESS  
Anchorage, Alaska 99509

Dear Senator:

005

Please vote for Senate Joint Resolution #30 and work for its passage. Congress is not going to get serious about balancing the federal budget unless we join the other thirty states demanding action on a constitutional balanced budget amendment right now.

Thank you.

W. H. Chapin  
NAME  
W. H. CHAPIN  
ADDRESS  
3214 Wyoming Drive  
Anchorage, Alaska 99503

Dear Senator:

065

Please vote for Senate Joint Resolution #30 and work for its passage. Congress is not going to get serious about balancing the federal budget unless we join the other thirty states demanding action on a constitutional balanced budget amendment right now.

Thank you.

Bruce Boether  
NAME  
P.O. Box 8765  
ADDRESS  
Anchorage, AK. 99508

ALL ADDRESSED TO SEN. KOEHLER

Dear Senator:

Please vote for Senate Joint Resolution #30 and work for its passage. Congress is not going to get serious about balancing the federal budget unless we join the other thirty states demanding action on a constitutional balanced budget amendment right now.

Thank you.

RECEIVED

JUN 14 1981

MILTON LAUFER

NAME  
2530 CHANDLER DR.  
ADDRESS

ANCHORAGE, ALASKA, 99504

Dear Senator:

Please vote for Senate Joint Resolution #30 and work for its passage. Congress is not going to get serious about balancing the federal budget unless we join the other thirty states demanding action on a constitutional balanced budget amendment right now.

Thank you.

CAPT RICHARD & KATHY LUND

NAME  
9-3200 CHINOOK CIRCLE  
ADDRESS

EMMENDEURF AFB, AK 99506

Dear Senator:

Please vote for Senate Joint Resolution #30 and work for its passage. Congress is not going to get serious about balancing the federal budget unless we join the other thirty states demanding action on a constitutional balanced budget amendment right now.

Thank you.

Colleen Rindler

NAME  
3016 W 31st  
ADDRESS

ANCHORAGE, AK 99503

Dear Senator:

Please vote for Senate Joint Resolution #30 and work for its passage. Congress is not going to get serious about balancing the federal budget unless we join the other thirty states demanding action on a constitutional balanced budget amendment right now.

Thank you.

Mark V. Samuelson

NAME  
211E 26th Ave. Sp 4  
ADDRESS

ANCHORAGE, AK 99503

Dear Senator:

Please vote for Senate Joint Resolution #30 and work for its passage. Congress is not going to get serious about balancing the federal budget unless we join the other thirty states demanding action on a constitutional balanced budget amendment right now.

Thank you.

Cheri Wright

NAME  
2590 Lyova Ln.  
ADDRESS

ANCHORAGE, AK 99502

Dear Senator:

Please vote for Senate Joint Resolution #30 and work for its passage. Congress is not going to get serious about balancing the federal budget unless we join the other thirty states demanding action on a constitutional balanced budget amendment right now.

Thank you.

Dorothy Fordulack

NAME  
3200 Montclair Ct  
ADDRESS

ANCHORAGE AK 99503

Dear Senator:

Please vote for Senate Joint Resolution #30 and work for its passage. Congress is not going to get serious about balancing the federal budget unless we join the other thirty states demanding action on a constitutional balanced budget amendment right now.

Thank you.

P. A. Douglas

NAME  
3322 Seppala Dr. Anch. Alaska  
ADDRESS 99503  
SEPPALA

June 20, 1981

Keven: Senator Ziegler asked me to let you know that the "come home clause" in HJR 17 is better and preferable to the language in SJR 30.

Landa Krossa

AMERICAN ASSOCIATION  
ALASKA



OF UNIVERSITY WOMEN  
DIVISION

28 April 1981

To: Senator Rodey  
From: Susan R. Clark, A.A.U.W./Common Cause  
Re: SJR 30: Balancing the budget by a U.S. Constitutional Convention

We do not believe that the Constitution is the place to solve the specific economic problems of a particular time in our history because such a required rigidity might backfire in several ways: we might lose some public accountability, we may not be able to adequately respond to sudden changes in the economy, and we may be precluded from more effective methods for reducing inflation since a balanced budget provides no assurance of halting inflation.

However, we see the threat of a U.S. Constitutional Convention as the most serious fallout from this resolution, since only four more states need to petition Washington for such a Convention. We would request that lines 6-18 be deleted if any further consideration of this resolution is to take place. The resolution would still send to Congress a strong statement on budget balancing and the reference to a Constitutional Convention would still be left in on page one as a "scare tactic".

I am expecting by mail from Common Cause, other suggestions as to language other states have used to circumvent the Constitutional Convention issue while still strongly mandating a balanced budget. I will share those with you as soon as they arrive.

cc: Bob Cooksey, NEA  
Dwayne Carlson, AFL-CIO  
Margaret Holland, League of Women Voters

TO: All members of the Senate

FROM: Charlie Parr

The following has been extracted from Senator Moynihan's Newsletter/3-81:

#### A CONSTITUTIONAL CONVENTION WE ALMOST HAD

Now there was a time, and of course it was in York State, when people of a mind to make changes in government could think BIG.

Those of retentive memory will recall that on March 3, 1858, The New York Times reported from Albany that 86 state senator had presented a petition "so brief and so explicit" that it was given entire:

The undersigned, citizens of the State, would respectfully represent: That owing to the great falling off of the Canal revenue, as well as the increasing drafts upon the State Treasury, and the large expenses of carrying on the several departments of the State Government, thereby swelling up the taxes; therefore, with the view of relieving the people from the large amount now unnecessarily expended to sustain the Executive and Legislative Departments, and to secure the honest and better administration thereof; your petitioners respectfully ask that your Honorable body pass an act for calling a Convention to so alter the Constitution as to abolish both the Executive and Legislative Departments, as they now exist, and to vest the powers and duties thereof on the President, Vice President, and Directors of the New York Central Railroad Company.

The Times correspondent, an early practitioner of advocacy journalism, went on to explain that the proposal was "intended as a joke" but "conveys a bitter satire, a satire which is deserved and just." There followed a discourse on the villainy of the railroads, a detailed indictment of the ruling Democrats (the Democratic State Chairman was then Erastus Corning!), a dismissal of Republicans as an insignificant opposition, and a prediction that a time would come when "after long suffering" the people would rise and "retaliate".

They almost did. The state legislature passed the proposition, and it went on the ballot that fall. It failed by only 6,360 votes.

#### A CONSTITUTIONAL CONVENTION WE MIGHT HAVE

I told this tale in an address to the New York Economic Club on the evening of March 5, by way of calling attention to the steady pace by which we are seemingly making our way to a national constitutional convention, called for the purpose of amending the Constitution to require a balanced budget. There are now 30 states that have passed resolutions to this effect, the latest being New Hampshire in 1979. Only four more, I said, would be needed for the required "two-thirds of the several States", which under Article V will require Congress to call such a convention.

By chance, the very next day The New York Times reported that the campaign for a convention had started up again, and that resolutions had failed only narrowly in Missouri and Washington State.

Is anybody watching? Does anybody care? Is anybody thinking what this could mean?

The amendment would be a small calamity, in and of itself. Budgets must be balanced over time. But to tie the federal government, or your own family, to a 12 month cycle (as if bound to an agricultural year) is folly. You spend more in some years, save more in others. Which of us would ever have bought a house, or got the children through college without going into temporary debt? Several years ago at a hearing I asked the then Chairman of the Council of Economic Advisors, Charles L. Schultze, if the Council would try to estimate what would have been the effect of such an amendment on government finances in the recent past. He did just that and reported back that the "computer blew up".

The world, and not just the United States, was in a recession. People were out of work, and that year the Unemployment Compensation Trust Fund paid out much more than it took in. Was that such a bad thing?

It is called counter-cyclical financing. The reason the computer "blew up" is that a rigid requirement for a balanced budget every year would have stopped those unemployment compensation payments, meaning less demand, meaning more unemployment, and so through the downward spiral that was the bane of industrial economies until we learned how to moderate the business cycle.

But far more serious is the potential that our very political consensus could break up in the course of a suddenly called Constitutional Convention. It does not matter what the advocates say (I do not think they are dissembling, but that they just do not realize), a convention will be plenipotentiary. It will be free to take up any subject. Article V requires that the Congress

...on the application of the Legislatures of two-thirds of the several States, shall call a Convention for proposing Amendments...

Amendments. Right? Plural.

Moreover, if our only precedent, that of Philadelphia in 1787, is binding, the Constitution itself could be scrapped and the delegates could draw up a new document. That is, after all, what happened to the Articles of Confederation.

STATE OF ALASKA

Interdepartmental Route Slip

TO: Mail Station <b>3100</b>	Department <i>Sen. Rodey's Office</i>
Attention <i>Aleta Simmons</i>	
<input type="checkbox"/> Approval <input type="checkbox"/> Note & Return <input type="checkbox"/> Signature <input type="checkbox"/> Initial & Return <input type="checkbox"/> Comment <input type="checkbox"/> Return as Requested <input type="checkbox"/> Contact Me <input type="checkbox"/> Return for Approval <input type="checkbox"/> Prepare Reply <input type="checkbox"/> Necessary Action <input type="checkbox"/> For Your File <input checked="" type="checkbox"/> For Your Information	
Remarks: <i>The complete hearings are 600 plus pages. We have them on 7 microfiche. More current info. may be available from Leg. Ref Library at x3808.</i>	
FROM: Mail Station <b>0571</b>	Department <i>ASL - Reference</i>
By <i>Carol</i>	Date <i>4-23-81</i>

**PROPOSED CONSTITUTIONAL AMENDMENT  
TO BALANCE THE FEDERAL BUDGET**

---

---

**HEARINGS**  
BEFORE THE  
**SUBCOMMITTEE ON THE CONSTITUTION**  
OF THE  
**COMMITTEE ON THE JUDICIARY**  
**UNITED STATES SENATE**  
NINETY-SIXTH CONGRESS  
FIRST SESSION  
ON

S.J. Res. 2, 4, 5, 9, 7, 9, 10, 11, 13, 16, 18, 36, 38, 45, 46, 56, 76, 79, 86, and 98

MARCH 12, MAY 23, JULY 25, OCTOBER 4, 11, AND  
NOVEMBER 4, 1979

Serial No. 96-41

Printed for the use of the Committee on the Judiciary



U.S. GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1980

54 267

CIS — 5521-29 — 1980 pp. 82-90  
4p. 99

FINANCE COMMITTEE

LETTER OF INTENT

HJR 17

The Finance Committee has reviewed HJR 17 on the merits of the constitutional amendment to balance the federal budget. The Finance Committee requests the Judiciary Committee to consider the effect of a federal constitutional convention as requested on page 2, lines 6 through 12, the question of whether a federal constitutional convention can in fact be limited as to subject matter, and the applicability and effect of the resolved clause on page 2, lines 16 through 18.

Rep. Sam Cotten, chairman  
House Finance Committee



# common cause

2030 M STREET, N.W., WASHINGTON, D. C. 20036 (202) 833-1200

Archibald Cox  
Chairman

David Cohen  
President

John W. Gardner  
Founding Chairman

23 April 1981

Susan Clark  
1109 C Street.  
Juneau, Alaska 99801

Dear Susan:

Enclosed is a Common Cause paper on a possible alternative to SJM 105--a limitation on federal spending. While Common Cause does not actively support or pursue such a limitation, Common Cause does recognize it as a possible alternative solution to U.S. economic problems resulting from excessive spending policies. Basically, this paper outlines some guidelines to be followed should a legislature petition Congress to impose such a spending limitation.

Another alternative to the balanced budget amendment would be for the Alaska legislature to draft a resolution asking Congress to balance the budget when economic and political conditions permit. Other states are considering such resolutions due to uncertainty about a constitutional convention (Hawaii and Missouri, for example). This alternative would eliminate the amendment and the constitutional convention; yet would force Congress to recognize the seriousness of and public sentiment against excessive spending and growing federal deficits.

The comparison of state balanced budget amendments to a federal balanced budget amendment is highlighted in your copy of the memorandum on "Proposed Balanced Budget Amendment Constitutional Convention" on page 5. Congress and the President could easily produce a nominal balanced budget; in reality, spending and taxation might never change, since excessive spending could be hidden in a second capital budget (as some states have done).

If I can be of any further assistance, don't hesitate to call me (202-833-1200, ext. 333). Please let me know what happens as you pursue this.

Thank you so much for your help, Susan.

Sincerely,

Pat Callahan  
Alaska Liaison



# common cause

2030 M STREET, N.W., WASHINGTON, D. C. 20036 (202) 833-1200

Archibald Cox  
Chairman

David Cohen  
President

John W. Gardner  
Founding Chairman

As approved by Governing Board  
on February 2, 1980

## MEMORANDUM TO THE GOVERNING BOARD

RE: PROPOSALS TO LIMIT FEDERAL SPENDING

*Four basic principles  
on page 6-8*

During the 1960's and 1970's, the country witnessed a huge growth in government spending, tax, and loan programs. While much of this spending was designed to meet real national needs, wide-spread citizen disillusionment with government has resulted in recent years from the popular perception that the government is out of control. The refusal of Congress to discipline itself has contributed to this condition. Congressional committees have become special interest havens, seemingly incapable of saying "no" to special interest groups. Narrow economic groups dominate policy formulation in their areas of interest. Washington has become a Special Interest State where, in the words of John Gardner, "every well-organized interest 'owns a piece of the rock.'"

Common Cause has worked for several years to improve government performance and strengthen government institutions. Our support of the Congressional Budget Act of 1974, Sunset legislation, regulatory reform, congressional committee reform, civil service reform, and multi-year budgeting all stem from this interest.

Unfortunately, Congress has not been willing to exercise sufficient institutional discipline, and the special interests

have been able to continue to dominate events on Capitol Hill. Congress has failed to date to adopt fundamental reforms designed to mitigate the power of the Special Interest State -- congressional public financing, Sunset, committee reform, and multi-year budgeting, to name but a few. The Congressional Budget Act, the one major tool Congress has adopted in recent years to increase fiscal responsibility, remains in a fragile state. While the Act has resulted in a measure of restraint, most significant attempts to use the Act to crack down on undisciplined committees have failed.

Public pressure for more responsible government spending practices has led to a host of proposals for change. At the July 1979 meeting, the Governing Board reviewed a background memorandum on proposals to limit federal spending and to require a federal balanced budget. The Board agreed that Common Cause should continue to press for Sunset legislation and a strengthened congressional budget process. The Board also agreed that:

Common Cause should not, at this time, take a position on any of the proposals to require a balanced federal budget or to limit federal expenditures, but should continue to monitor and study these proposals in order to determine what action, if any, we should take in the future.

Since July, the staff has monitored spending limitation and balanced budget proposals and has completed a major investigative study demonstrating how the Special Interest State fuels inflation, "The Government Subsidy Squeeze."

While Common Cause has not taken a position on the spending limitation concept, this memorandum outlines Common Cause support for four basic principles designed to ensure that any federal spending limitation that might be adopted be statutory, flexible, and responsible. The memorandum proposes continued support of our basic government performance agenda and increased budget watchdog efforts, as well as opposition to constitutional amendments and rigid statutory proposals calling for spending limitations and a balanced budget. This memorandum was considered by the Issues and Minority Empowerment Committees and by the full Board.

Proposals to Control Federal Spending and Taxes

Attempts to control federal spending and taxes have taken a variety of forms. They differ in three main respects: first, some propose amending the Constitution, others propose legislation; second, some would require a balanced budget, others would directly limit spending or taxes; and third, some would allow a majority vote to override the restriction, others would require a super-majority vote.

Pressure to deal with these proposals is mounting in Congress and the states. Significant action could take place before the Easter recess this year. These matters certainly will be issues in the 1980 elections. Thirty state legislatures have called on Congress to propose or call a constitutional convention to propose a constitutional amendment to require a federal balanced budget. While this effort slowed down somewhat in 1979, only four more states are needed to call a convention. Senate

Judiciary Committee Chairman Edward Kennedy (D-Mass.) has agreed to a mid-March full committee vote on a balanced budget constitutional amendment recommended by a majority of the Committee's Subcommittee on the Constitution.

Last March, the House leadership promised a floor vote on a spending limitation proposal after narrowly blocking consideration of a related proposal by Representative James Jones (D-Okla.). The vote was not taken in 1979 but is likely in the spring of 1980. House Budget Committee Chairman Robert Giaimo (D-Conn.) has introduced a comprehensive spending limitation proposal that covers tax expenditures as well as direct spending, and House Rules Committee Chairman Richard Bolling (D-Mo.) has appointed a task force to make a recommendation on this subject to the Rules Committee in March. Senate Republicans came within a few votes of Senate approval of tax and spending limitation proposals in 1979, and Senate Appropriations Committee Chairman Warren Magnuson (D-Wash.) has introduced a spending limitation proposal.

#### A Common Cause Approach to Spending Limitations

As indicated above, Congress has generally refused to discipline itself in fiscal and other matters. Special interest dominated committees wreak havoc with the national interest. While Common Cause has opposed and will continue to oppose proposals designed to tie the hands of government unnecessarily, we must recognize the significance of the current lack of Congressional discipline.

As indicated above, these conditions have led to a host of proposals to limit federal spending and balance the federal budget. Proponents of a spending limitation argue that excessive federal expenditures have contributed to runaway inflation and have done serious damage to our economy and especially to the least well off segments of our society. They argue that a federal spending limit that would place responsibility for fiscal restraint on the institution of Congress as a whole is needed to complement the existing budget process. Proponents argue that a limitation could act as a powerful counterpressure to the special interests -- a means for legislators to say "no", a way to stop rampant Congressional logrolling on narrow interest group subsidies.

Opponents of a spending limitation argue that limitations restrict the government's ability to meet national needs and respond to changing economic conditions. They argue that powerful special interests will be able to continue to dominate the budget process and that limitations would primarily squeeze the poor and the powerless. Opponents also point out the difficulty of drafting an enforceable, meaningful limitation.

Common Cause does not have a position for or against the general concept of a federal spending limitation at this time. But we could play a role both in shaping the upcoming national and Congressional debate and in working toward a flexible and responsible proposal that would not cripple the ability of the federal government to meet real human needs and stabilize the economy. A careful review of Congressional proposals to bring

federal spending under control suggests four principles for Common Cause in carrying out this role:

- First, any spending limitation must be comprehensive and include tax spending and credit programs as well as direct spending.
- Second, any spending limitation should be established by statute rather than by constitutional amendment.
- Third, any majority recorded vote should be sufficient to override the spending limitation when circumstances warrant.
- Fourth, Sunset legislation and multi-year budgeting should be adopted in conjunction with a spending limitation to encourage responsible pruning and planning.

Each of these principles is discussed below.

\* First, any spending limitation must be comprehensive and include tax spending and credit programs as well as direct spending.

Studies by Common Cause and others have demonstrated that spending through the tax code is the fastest growing and least equitable form of government spending. A spending limitation that covers only direct spending would likely prove to be counter-productive. It would have the effect of further circumventing the discipline of the budget process by encouraging the use of off-budget items such as tax expenditures and credit and loan programs (another fast growing area that is largely hidden from public view). The comprehensive spending limitation concept was authored by House Budget Committee Chairman Robert Giaimo (D-Conn.). As we have said in regard to Sunset legislation, we would oppose any spending limitation that did not include tax expenditures.



Second, any spending limitation should be established by statute rather than by constitutional amendment. A strict constitutional spending limitation or balanced budget requirement could leave the government with inadequate flexibility to respond to legitimate national needs and economic conditions and could encourage the use of off-budget spending. A meaningful limitation or balanced budget requirement must contain technical detail that is inappropriate for the Constitution. Senator Birch Bayh (D-Ind.), Chairman of the Senate Judiciary Subcommittee on the Constitution, has pointed out that one of the major spending limitation proposals is almost as long as the entire Bill of Rights. Perhaps Walter Heller, former Chairman of the Council of Economic Advisers, has best summed up the arguments against a constitutional amendment in this area: "A meaningful amendment would not be workable, and a workable amendment would not be meaningful."

Third, any majority recorded vote should be sufficient to override the spending limitation when circumstances warrant. The purpose of a spending limitation should be to instill discipline in the majority of the Congress. It should not be to allow minority rule. The purpose of a spending limitation should be to force legislators to make public choices through recorded votes. It is essential to provide flexibility to enable the government to respond to national needs and economic conditions in an equitable manner. Requiring a super-majority vote (e.g., two-thirds or



three-fifths) to override the limitation would allow a minority in Congress to block action in the national interest or to withhold votes to obtain support on other matters. Super-majorities are now required to amend the Constitution and ratify treaties but not on matters of providing basic public services. Common Cause would work for a provision similar to provisions in the Budget Act and Sunset legislation to ensure that this majority vote principle could not be undercut by a Senate filibuster.

\* Fourth, Sunset legislation and multi-year budgeting should be adopted in conjunction with a spending limitation to encourage responsible pruning and planning. A responsible spending limitation proposal should be designed to complement and strengthen the budget process. Other Common Cause proposals are important aspects of a comprehensive approach. Simultaneous passage of Sunset legislation would facilitate responsible pruning and make way for needed new programs. Multi-year budgeting would maximize strategic planning for the future and allow Congress to get a handle on the large part of each year's budget that is mandated by law. In addition, it would minimize the temptation to defer the fiscal impact of new programs.

Common Cause could work with legislative leaders to help shape a workable and responsible limitation. In addition, we could work to help resolve several important technical questions. The enforceability of a spending limitation is the key to its credibility. If a limitation is to be meaningful, it is essential that attempts to waive the established limit are highly visible so that the process is taken seriously. Another significant

technical question is that of which indicator to use to establish the limitation. Most current proposals use the Gross National Product (GNP) -- the limitation is a fixed percentage of the GNP -- but there are at least two problems with this approach. First, the difficulty of estimating GNP for a future year might invite Congressional game-playing with economic estimates. Second, in order to ease the impact of a recession, government spending might have to go up as the GNP slows down, exactly the reverse of what is likely to happen under a limitation tied to GNP. Common Cause could work with Congressional leaders for an adequate enforcement mechanism and a more appropriate method of establishing the limitation.

#### Implications For Common Cause State Programs

In February of 1979, the Governing Board authorized Common Cause organizations in states where spending limitations were being considered as part of a comprehensive government performance package to work for flexible and responsible limitations and to oppose rigid limitations. As that policy is consistent with the one proposed in this memorandum, adoption of this memorandum would not result in any change in our state policy regarding spending limitations.

In November of 1979, based on a record of hasty action by state legislatures, the Governing Board encouraged state organizations to push for careful legislative consideration of resolutions calling for a federal constitutional convention to draft a constitutional amendment to require a federal balanced budget. Adoption

of this memorandum opposing rigid constitutional amendments to limit spending or require a balanced budget would authorize our state organizations to oppose the calls for a constitutional convention for these purposes. Opposition would be based on opposition to the substance of the balanced budget proposal, not on opposition to the concept of a constitutional convention. Legislatures will be in session this year in nineteen of the twenty states which have not called for a balanced budget convention. Convention resolutions are pending or have already been introduced in twelve of these nineteen states.

#### Summary

A comprehensive reform package is needed to bring the Special Interest State under control. A comprehensive Common Cause program to instill greater discipline in the Congressional Budget process includes the following essential elements:

- strengthening and continued support for the Congressional Budget Act of 1974;
- Sunset Legislation;
- Multi-year budgeting.

Common Cause should continue its monitoring of the Budget Act, intensify its budget watchdog activities, and continue to seek ways to strengthen the budget process.

While Common Cause does not have a position on the general concept of a federal spending limitation at this time, we do believe that in order to ensure that any limitation that might be adopted is flexible and responsible it is important that it: (1) include tax spending as well as direct spending; (2) be a

statute rather than a constitutional amendment; (3) provide for an override of the limitation by a majority rather than a super-majority vote; and (4) be adopted along with Sunset and multi-year budgeting. As part of this program, Common Cause should oppose inflexible and potentially counterproductive proposals that do not meet our principles for a responsible spending limitation.

#### Organizational Resources

Bruce Adams and Jane Wishner of the Issue Development staff drafted the original memorandum based on discussions with members of the staff management committee and the staff issue teams responsible for budget reform and state government performance. The memorandum is based on a July 1979 Governing Board memorandum ("Constitutional Convention and Balanced Budget and Expenditure Limitation Proposals"), careful monitoring of spending limitations and balanced budget proposals, and Common Cause's new investigative study on the Special Interest State ("The Government Subsidy Squeeze"). During the last year, we have consulted a host of proponents, opponents, and commentators on spending limitation and balanced budget proposals. We have relied on information from the National Taxpayers Union, Library of Congress, National Tax-Limitation Committee, Brookings Institution, testimony presented to Congress, and a number of articles and speeches from the Congressional Record.

Budget reform issues will continue as a top priority for Common Cause. The Common Cause budget and inflation watchdog effort will intensify as a result of the release of our new

investigative study in January. Work in support of the four principles approved by the Governing Board will primarily involve additional efforts by the lobbying and research staffs and the Common Cause officers.

## ALASKA STATE LEGISLATURE



## HOUSE OF REPRESENTATIVES

REPRESENTATIVE SALLY SMITH • 321 CHURCH STREET • FAIRBANKS, ALASKA 99701 • IN JUNEAU: POUCH V • JUNEAU, ALASKA 99811

April 10, 1981

Michael A. and Alicia F. Bunce  
S.R. 10363-A  
Fairbanks, AK 99701

RECEIVED

APR 13 1981

Dear Dr. and Mrs. Bunce:

I appreciate your copying me on your letter to Senator Fahrenkamp expressing your opposition to a resolution calling for a constitutional amendment to require a balanced budget.

There are two resolutions that have been introduced. Senate Joint Resolution 2 is in the Senate Judiciary Committee, and House Joint Resolution 17 is in the House Finance Committee. I am forwarding copies of your letter to both Senator Pat Rodey and Representative Sam Cotten, Chairs of the respective committees so that committee members will be able to take your comments into consideration during deliberations on the bills. I urge you to contact both Senator Rodey and Representative Cotten should you have further comments.

Again, thank you for taking the time to write and express your concerns. It's good to know that people are responding to issues that are of special interest to them.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sally".

Sally Smith  
Alaska State Representative

cc: Sen. Rodey  
Rep. Cotten

jg

Dr. and Mrs. Michael Bunce  
Star Route 10363-A  
Fairbanks, Alaska 99701  
March 30, 1981

Senator Bettye Fahrenkamp  
Pouch V  
Juneau, Alaska 99811

Senator Fahrenkamp:

It has recently come to our attention that a resolution calling for a constitutional convention to write a constitutional amendment that would require a balanced federal budget is currently before the Alaska legislature.

We are vehemently opposed to any such resolution as we see this as a means of restricting effective economic government action and do not believe the Constitution of the country should govern fiscal policy.

We strongly urge your opposition to this resolution. If you do not agree we would like a statement of your reasons for passing this resolution.

Sincerely,

*Michael Bunce* *Alicia F. Bunce*  
Michael A. Bunce      Alicia F. Bunce

cc/Sen. Charles B. Parr  
Rep. Richard Handolph  
Rep. Sally Smith  
Rep. Kenneth Fanning

*SPR 2 det.*  
*HR 7/17 Finance*

Susan Raymer Clark, Legislative Chair  
1109 C Street, Juneau 99801  
586-6952

April 1981

SJR 30  
HJR 17: Constitutional Amendment to  
balance the Federal budget

CommonCause/Alaska and the American Association of University Women/Alaska Division oppose this resolution, because we believe that the constitution is not the place to solve the specific economic problems of a particular time in our nation's history. We do not, however, oppose either a balanced federal budget or the calling of a constitutional convention for an appropriate reason.

Our concerns are five-fold:

\* such a constitutional requirement could be an economic straitjacket that might not provide the government with adequate flexibility to respond appropriately to a recession or to any sudden change in the economy;

\* Congress and the executive branch will devise ways of getting around the constitutional requirements, resulting in less rather than more public accountability;

\*The Constitution should not be used to mandate fiscal policy;

\* A rigid requirement to balance the budget may preclude more effective methods for reducing inflation, curbing excess federal spending, and spurring economic growth; and

\* Questions are arising as to whether a constitutional convention can be limited in scope.

In the first case (such an amendment would be too inflexible and could serve as an economic straitjacket), although provision in HJR 17 is made for suspension of the balanced budget requirement in times of national emergency, such a suspension would require the approval of a super majority of Congress (ie. 2/3rds or 3/4ths). In practice such a requirement could well lead to minority rule. The political realities of getting such a large majority of both Houses to agree to suspension of the balanced budget requirement would make it extremely difficult, if not impossible, to take action to prevent or forestall an anticipated recession. The requirement of a super-majority vote could give too much power to a small minority in Congress which could block any action or deliberately use their votes to obtain support on other unrelated matters, thus being undemocratic as well as inflexible. By severely limiting government's ability to respond to economic crises, those crises might well worsen. Former chair of the President's Council of Economic Advisors argues that "without the freedom of deficit spending in 1974, the recession we had at the time might have been as bad as the Great Depression."

In the second place (technical budget gimmicks will be devised to get around a constitutional requirement), such a constitutional requirement would encourage Congress and the executive branch to play games with the budget in order to meet the requirement, including hiding the true cost of programs from the public. The result would be less, not greater, government accountability in budgetary decision making. Many of the states which have constitutional balanced budget requirements now separate capital budgets (long-term investments) from operating budgets. A little over 1/5th of the federal budget (\$115 billion) could qualify as capital expenses, and if the federal government were to go the same route as those several states, the federal budget could be balanced without any change in the actual spending and tax policies of the government! In addition Congress could increase the number of off-budget items (now totaling about \$33 billion) which include the Postal Service and the Federal Financing Bank, and which are excluded by law from the Federal budget. Such changes in off-budget items would allow the federal government to meet a balanced budget requirement without any adjustments in federal spending, and would in fact decrease government accountability and the visibility of federal expenditures.

Thirdly (fiscal policy should not be mandated in the Constitution), the Constitution should serve two major purposes - the creation of a structure of government and the establishment of fundamental rights. The document should not be used to mandate specific fiscal policies. Such an action would be like constitutionally freezing into our economic system the free coinage of silver, the charter of the First National Bank, or the National Recovery Act, each of which dealt with the specific economic problems of its time. To make the Constitution a receptacle for the specific solutions to the economic problems of a particular time would cheapen its value, shorten its life, and make it little different than a collection of legislative statutes. Fiscal policy involves the sorts of nuances and distinctions that can best be expressed in statutes, regulations, and executive programs - not constitutional amendments. In fact choosing an effective yardstick for determining if the budget is truly balanced would be a serious problem since the federal budget is built on estimates made almost two years earlier - estimates that can fluctuate wildly as a result of changing economic conditions.

Fourth (other means exist that may be more effective in dealing with fiscal restraint, means which a constitutional amendment may preclude), it is clear that fiscal restraint can be achieved <sup>without</sup> use of a constitutional amendment. A spending limitation which is enacted as a statute can be more easily adjusted in response to varying fiscal and economic conditions and can prove to be effective. For example, the Congressional Budget and Impoundment Control Act of 1974 includes only modest spending restrictions, but the annual deficits have been reduced 65% since its enactment. Reagan's proposed cutting of tax rates to stimulate private investment and boost economic growth would be impossible in the face of a requirement to balance the federal budget each year. Taxes could, in fact, go up. Congress could chose to balance the budget by raising taxes instead of cutting federal spending. "What we need on the federal level," comments conservative economist

Milton Friedman, "is not a budget-balancing amendment but an amendment to limit government spending as a fraction of income." Such a proposal would hold the growth of Federal spending in any year to the rate at which the economy grew the year before. When conservative and liberal economists agree that a balanced budget amendment would be unwise and counterproductive, we should take notice.

Finally (a constitutional convention might expand in scope) Constitutional scholars divide as to whether a convention's agenda can be restricted only to budget balancing. The American Bar Association says it can, but some constitutional experts disagree (Charles Black, Jr. of Yale Law School and Walter Dellinger of Duke). 13 states have called for a constitutional convention with respect to abortion, and the same number with respect to bussing. These could even be approached in budgetary language in terms of no federal funding, and then Congress would be in the difficult political and constitutional position of deciding the validity of the other proposed amendments including school prayer, and the entire bill of rights. The risk of tampering with the constitution, and the decisions such action would generate, clearly is not warranted, since a balanced budget can be achieved either through statute or even under existing budget procedures. President Reagan is committed to gradual achievement of a balanced budget. He should be given the opportunity to carry out his pledge. In short, something as extraordinary as a second constitutional convention surely should be reserved for an objective that cannot be attained without a change in the Constitution.

We do not question the need for a responsible answer to the serious questions that have been raised about national fiscal policy and the federal budget. We believe the manner in which the Congress deals with the budget has significantly contributed to the economic problems we now face as a nation. However, we believe that the Congress should respond to these problems by fully utilizing and strengthening its existing budget process, improving its program evaluation capacity by establishing sunset process, and discontinuing programs that are wasteful or obsolete.

Alaska, especially, now has a special responsibility to give a convention call serious consideration, because of the haste with which many states have rushed to pass resolutions. ONLY THREE MORE STATES ARE NEEDED TO MAKE THE 2/3rds REQUIRED in order for Congress to call a constitutional convention. Of the states which approved the first 21 resolutions, only six held public hearings and only six prepared committee reports. Recorded floor votes were taken in only 12 of the 21 states.

There is no quick fix solution to our present economic difficulties. The balanced budget amendment is a false panacea generating more problems than it would solve. The results could be counterproductive ranging from less government accountability in budgetary decision making due to game playing, to actual tax raises rather than spending cuts to achieve a balanced budget. We urge you to reject the proposed call for a constitutional convention for the purpose of balancing the budget.

Kevin Bruce  
(for your background)

SJR 30

Sample Con-Con Testimony/Stein/April 7

Mr. Chairman, I am [name], [title] of Common Cause in [state]. I appreciate the opportunity to appear before this committee to testify against the proposed call for a constitutional convention to write a constitutional amendment that would require a balanced federal budget.

Article V of the U.S. Constitution states that Congress, "on the Application of the legislatures of two-thirds of the several States shall call a convention for proposing Amendments." If three-fourths of the legislatures then ratify these amendments, they would become part of our Constitution. Thirty states have passed resolutions asking for a constitutional convention to draft a balanced budget amendment. If thirty-four states act, a convention could well be convened pursuant to Article V.

The proposed resolution warrants serious consideration by the [state] legislature. This process should include thorough committee discussions and floor debates as well as ample opportunity for public comment. Passage of a convention call is not merely an expression of the legislature's opinion. It could lead to the second constitutional convention in our nation's history.

States now considering conventional calls have a special responsibility to give them serious consideration because of the haste with which many states have rushed to pass resolutions.

Of the states which approved the first 21 resolutions, only six held public hearings and only six prepared committee reports. Recorded floor votes were taken in both houses in only 12 of the 21 states.

Common Cause believes that careful scrutiny of the proposed resolution will lead the legislature to reject it. While we do not oppose a balanced federal budget, we believe that convening a convention to draft a balanced budget amendment would be extremely unwise and counterproductive.

Briefly, here are our reasons for opposing any resolution calling for a constitutional convention to draft a balanced budget amendment:

One, a balanced budget amendment would place an inflexible requirement in the U.S. Constitution, one that could easily turn into an economic straitjacket. A constitutional amendment requiring a balanced budget would severely limit government's ability to respond to economic crises and might well worsen those crises. For example, the federal government could find itself barred from taking the steps necessary to respond to economic downturns. Economist Walter Heller, former chairman of the President's Council of Economic Advisors, argues in opposing a balanced budget amendment that "without the freedom of deficit spending in 1974, the recession we had at the time might have been as bad as the Great Depression."

Heller's fears are justified. In 19 , President Herbert Hoover tried to balance the budget by raising taxes. Soon after, a mere recession was transformed into the nation's worst economic

depression. It is no surprise, therefore, that most economists oppose a balanced budget amendment. When conservative economists like Milton Friedman and Alan Greenspan agree with liberals like Charles Schultze and Walter Heller, we should all take note.

Two, a rigid requirement to balance the budget may preclude more effective methods for reducing inflation, curbing excessive federal spending, and spurring economic growth. President Reagan has proposed cutting tax rates to stimulate private investment so as to boost economic growth. Such a course could well be impossible if the President and Congress were faced with a requirement to balance the federal budget each year.

In addition, Congress could chose to balance the budget by raising taxes instead of cutting federal spending. That is why Congressman Jack Kemp, author of the Kemp-Roth proposal to reduce federal tax rates by one-third, opposes a balanced budget amendment. Conservative economist Milton Friedman also is worried that a balanced budget amendment would not curb spending. "What we need on the federal level," Friedman has said, "is not a budget-balancing amendment but an amendment to limit government spending as a fraction of income."

Three, Congress and the Executive Branch will devise technical budget gimmicks to get around a constitutional requirement. A balanced budget requirement would encourage Congress to play games with the budget to obscure the true costs of government programs. The result would be less government accountability in budgetary decisionmaking -- not more.

For example, if Congress adopted the accounting system currently used by state governments, it could balance the federal budget without making any substantive changes. As members of this committee are well aware, most states including [state], must abide by requirements in their state constitutions to balance state budgets. But states need only balance their operating budgets, not their capital construction budgets. If the federal government were to move to a separate capital budget, the federal budget could be balanced without any change in its actual spending or taxing policies. Similarly, Congress could increase the number of off-budget items, such as the Postal Service and the Federal Financing Bank. These expenditures now total about \$33 billion annually.

Fourth, fiscal policy should not be mandated by the U.S. Constitution. The U.S. Constitution should only serve two major purposes -- the creation of governmental structure and the establishment of fundamental rights. As Charles Schultze, former President Carter's chief economist, has stated, to make the Constitution "a receptacle for the specific solutions to the economic problems of a particular time would cheapen its value, shorten its life, and make it little different than a collection of legislative statutes."

Economic policy is too complicated and uncertain to be set permanently in the Constitution. For example, how could convention delegates draft an amendment that would include an effective yardstick for determining if the budget is truly balanced? The federal budget for a given fiscal year is built

on estimates made almost two years before the end of that year. Estimates can fluctuate wildly, as a result of changing economic conditions. Last year, for instance, President Carter proposed a balanced budget for the current fiscal year. But according to current estimates, that budget will run a deficit of about \$50 billion.

The last word on whether the federal budget were balanced could well belong to a federal judge. Such a development could entangle the budget process in endless litigation and lead to judicial intervention.

Fifth, convening a constitutional convention to author a balanced budget amendment raises the ominous possibility that delegates will propose changes to the Bill of Rights or other constitutional provisions. Constitutional scholars divide on on the question of whether a constitutional convention can be limited in scope. The American Bar Association has said that a convention's agenda can be restricted. But some constitutional experts disagree -- including Charles Black Jr. of the Yale Law School and Walter Dellinger of Duke University Law School.

Even if Congress were to try to limit a convention call, no one can say with certainty what a convention would do once it were empowered. The only precedent -- our constitutional convention in 1787 -- gives credence to fears of a runaway convention. We should remember that the 1787 convention was convened simply to revise the existing Articles of Confederation.

The risk of tampering with the constitution, and the decisions such action would generate, clearly is not warranted. A balanced budget can be achieved either through statute -- which more easily can be adjusted to meet changing economic conditions -- or even under existing budget procedures. President Reagan is committed to the gradual achievement of a balanced budget. He should be given an opportunity to carry out his pledge. In short, something as extraordinary as a second constitutional convention surely should be reserved for an objective that cannot be attained without a change in the Constitution.

We share the concern of most Americans over the current high inflation and the inefficiency and ineffectiveness of our bloated federal bureaucracy. To address these persistent problems, we have proposed that Congress strengthen its budget process and enact a comprehensive Sunset law to evaluate government programs and to terminate those that are wasteful or obsolete.

There is no quick fix solution to our present economic difficulties. The balanced budget amendment is a false panacea because it would generate more problems than it would solve. We urge this committee and the state legislature to reject the proposed call for a constitutional convention to write a balanced budget amendment.

For: Rodney  
From: Susan Clark  
Common Cause/AC

# 'Balanced Budget Means Higher Taxes'

By Layton  
P-I Olympia Bureau

Feb. 1, 1979

OLYMPIA — A proposed constitutional amendment to balance the U.S. budget would very likely lead to increased federal taxes, state legislators were warned yesterday.

That's just the opposite effect sponsors of a bill calling for the amendment are hoping for and the comment by Glen Pascall of the Washington Research Council could slow down the rush to adopt the measure.

The constitution can be amended if approved by three-fourths of the states.

"The requirement of a balanced budget law can be met (countered) entirely through a tax increase," Pascall told members of the House Constitution and Elections Committee.

Instead of a budget balancing memorial, said Pascall, director of the conservative private tax watchdog group, legislators would do better to call for a constitutional amendment to tie federal spending to national economic growth.

Although Pascall told the committee Congress has "abused" its ability to spend beyond revenues, he said "even conservative economists agree there are individual years when deficits are appropriate, provided there is assurance they will be balanced by surpluses in boom years."

Other citizen groups joined in Pascall's oppo-

sition to the memorial sponsored by most Republicans in the House.

Chuck Sauvage, state Common Cause director, quoted economist Walter Heller that "without the freedom of deficit spending in 1974, the recession we had at that time might have been as bad as the great depression" of the 1930s.

And he quoted conservative economist Milton Friedman, adviser to former President Richard Nixon, as saying the proposed amendment is "a serious mistake."

Also speaking against it was Judith Turpin, Federal Way, of the American Association of University Women, who objected to the potential for a federal constitutional convention if the memorial is adopted by Congress.

As outlined by John Sonneland, Spokane, of the National Taxpayers Union, the memorial would provide for calling such a convention "only if Congress fails to act on the (budget balancing) amendment."

Pascall objected also to a Democratic memorial which merely commends Congress for its efforts to balance the budget by 1981, saying that it was "too late."

The committee took no action on the bill.

Neither did it act on the ratification of a measure to give residents of the District of Columbia full voting rights, including representation in Congress.

The constitutional amendment giving representation to Washington, D.C., was supported by the League of Women Voters, whose Washington state president, Marilyn Knight, said the lack of representation is a "blight on our democratic republic."

But conservatives opposed it. Joe Wisnampfer of the Washington state Young Americans for Freedom said "there is a fundamental conflict of interest between D.C. and the 50 states. D.C. has a special interest in the perpetual expansion of the federal government."

Tom Dixon, director of the Tacoma Urban League, said conservative comments are on the issue are "code words for racism." Jerome Page of the Seattle Urban League charged that House Republicans have already "locked up" on the measure.

Rep. Peggy Maxie, D-Seattle, asked the committee to approach the constitutional amendment — which needs ratification by two-thirds of the states to go into effect — "with an open mind." She said the District of Columbia pays \$1.4 billion yearly in federal income taxes and had a higher rate of casualties in the Vietnam war than any state.

*More news of the Legislature on Page B-3.*

# The New York Times

Founded in 1851

ADOLPH S. OCHS, *Publisher 1896-1935*  
ARTHUR HAYS SULZBERGER, *Publisher 1935-1961*  
ORVILLE E. DRYFOOS, *Publisher 1861-1968*

ARTHUR OCHS SULZBERGER  
*Publisher*

A. M. ROSENTHAL, *Executive Editor*  
SEYMOUR TOPPING, *Managing Editor*  
ARTHUR GELB, *Deputy Managing Editor*  
JAMES L. GREENFIELD, *Assistant Managing Editor*  
PETER MILLONES, *Assistant Managing Editor*  
LOUIS SILVERSTEIN, *Assistant Managing Editor*

MAX FRANKEL, *Editorial Page Editor*  
JACK ROSENTHAL, *Assistant Editorial Page Editor*  
CHARLOTTE CURTIS, *Associate Editor*

TOM WICKER, *Associate Editor*

2/6/79

## How Not to Balance the Budget

Now that the political pendulum is swinging to the right, economic conservatives are striving to keep it there. Some, led by California's Gov. Jerry Brown, seek a constitutional amendment to require that the Federal budget be balanced. So far, 25 state legislatures have endorsed this radical idea in one form or another and called for a constitutional convention to propose it as an amendment. Advocates of the idea would forbid deficit spending, leaving the nation with no ready way to fight recession or even depression.

Now, there is a movement for a more cautious conservative initiative. It, too, calls for a constitutional amendment to limit the growth of government, but it would not wholly abandon flexible fiscal policy. A proposal, originally championed by Nobel laureate Milton Friedman and a group called the National Tax Limitation Committee, may soon be introduced in Congress. At last weekend's meeting of Republican political leaders, the idea was embraced as an alternative to the more extreme notion of Governor Brown.

The proposal is to hold the growth of Federal spending in any year to the rate at which the economy grew the year before. There would be even tighter restrictions if the inflation rate exceeded 3 percent. Any surplus would be used to reduce the national debt. The new spending limits could be lifted in the event of a national crisis by a two-thirds vote of Congress, but not permanently without a three-fourths vote of both houses and the approval of 26 state legislatures.

This idea is more sensible than a forever-balanced

budget because it would not eliminate or severely hobble countercyclical fiscal policy. If the nation should sink into recession, Federal deficits could still be used to stimulate economic activity, although these would have to be deficits created by cutting taxes rather than boosting spending. Since tax cuts can inject money into a sagging economy faster than new spending programs, the amendment would merely encourage the Government to do what it should do anyway in times of economic weakness. Hence, the economic theories behind the proposal are no cause for concern. But the social implications are.

Underlying the proposal is a belief that there is something innately correct or desirable about the current size of the public sector vis-à-vis the rest of the economy. The amendment would make it extremely difficult to increase the ratio of Government outlays to gross national product. The emergency provision would allow a President to pierce the spending ceiling in a war, but would make it very difficult to launch a moral equivalent of war, whether against poverty and unemployment or on behalf of energy independence.

Thus, even the Friedman proposal is unwise and, we think, unnecessary. The White House and Congress already seem intent on limiting the growth of Government without such rigid and arbitrary clamps on spending. Once the current period of austerity ends, the Friedman formula would be merely an added obstacle to new social programs — an administrative hurdle that the nation would do better without.

# Constitutional Amendment Drive On Balanced Budget Pushed Anew

By ADAM CLYMER

Special to The New York Times

WASHINGTON, March 5 — The drive to call a constitutional convention to propose a constitutional amendment requiring the Federal budget to be balanced has started up again, and two State Legislatures narrowly failed to adopt the measure today.

In Missouri and then in Washington State, foes attached amendments to the proposal that kept their states from completing action and immediately joining the 30 states that have already asked Congress to call a convention.

The Constitution stipulates that such a call must be issued after 34 states request it, although some authorities have argued that the fact that the 30 resolutions are not identical is a fatal defect in this never-before-used method of constitutional change.

But in both states proponents contended that they could get those amendments deleted in House-Senate conferences and could then get the basic proposal passed. The National Taxpayers Union, an organization that attacks what it considers excessive Federal spending and is leading the effort nationally, said it believed that four more states could be found to pass the proposal this year.

David Cohen, president of Common Cause, said that his public affairs lobbying group was still working against the plan in the states. He said that opponents should not rely on "technical" differences in the texts of different states' proposals, since their similarity of purpose was clear, but rather should oppose a convention because it might seek to tamper with other elements of the Constitution.

## Congressional Move Seen

George Snyder, president of the National Taxpayers Union, who is a former majority leader in the Maryland State Senate, said he believed that a convention could be limited to the budget issue.

But in any case, he said, he did not believe a convention would be held because the pressure from two or three more state requests would cause Congress to propose such an amendment on its own. He

said that had happened in the case of the amendment requiring popular election of senators.

All the amendments that have been adopted, or even considered by the states, have been proposed by Congress. A spokesman for the Senate Judiciary Committee's Subcommittee on the Constitution said today that hearings would begin next Wednesday on such an amendment. He also said the subcommittee would soon begin work on a bill to detail procedures for a convention, if one is ever held.

A spokesman for President Reagan said that the Administration did not have a position on the convention issue. Larry Speakes, a deputy press secretary, said of Mr. Reagan, "As a general policy, he supports a requirement that the Federal Government balance its budget. His preference is that the balanced budget be implemented legislatively."

The measure got its greatest impetus in 1979, when eight states passed it, but none were added in 1980. Mr. Snyder said today that his side had "seven or eight states to work on" with some hope of success.

## Delays In Ohio and West Virginia

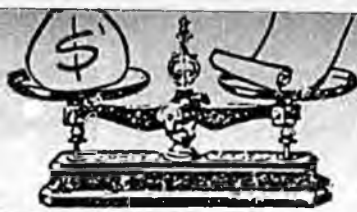
In both Ohio and West Virginia, the State Senate has passed the measure. But the Speakers of both State Houses are seeking to keep the issue bottled up and off the floor. Mr. Snyder said that other states where the measure might be pushed this year were California, Montana and Alaska.

Today the Missouri House, on an 85-to-76 vote, deleted the State Senate's provision calling for a constitutional convention, leaving only a call for Congress to balance the budget. One foe, State Representative Joe Holt of Fulton, argued that a convention might result in efforts to write provisions on abortion, gun control, busing and equal rights for women. "Let's not tamper with the document," he said.

State Representative Guy Sharpe of Hannibal, backing the convention call, insisted, "If we're ever going to balance the Federal budget, now is our chance."

The State House Speaker, Bob Griffin of Cameron, said later that while he had been surprised by today's vote, he still expected to get the original version out of a House-Senate conference and get it passed. But today's action caused him to cancel plans to fly from Jefferson City to Washington for a press conference.

In Olympia, Wash., the State Senate added an amendment to a House-passed measure in order to require a statewide referendum on the convention call. House sponsors attacked that move as "chicken" and said they would try to get it removed in conference.



# States Calling for a Constitutional Convention



By T. R. Reid

Washington Post Staff Writer

Despite the political hoopla and the lopsided public opinion polls, the national campaign for a constitutional amendment on the federal budget faces growing prospects of being derailed.

A backlash from the Washington political establishment and closer scrutiny of the campaign's reported success to date are raising serious doubt about what seemed, just a few weeks ago, a near-certainty: the convening of a constitutional convention to propose a balanced-budget amendment.

There's no doubt that the convention campaign, propelled by a charismatic national leader, California Gov. Edmund G. (Jerry) Brown Jr., and a broad grassroots network, has acquired considerable momentum. Polls say that more than two-thirds of the American people support a balanced-budget amendment, and that most favor calling a convention, if necessary, to propose one.

The National Taxpayers' Union, the Washington-based lobby coordinating the drive, said Friday that 28 of the required 34 states have approved a resolution asking Congress to call a convention. The group said two more states, Indiana and Montana, are likely to do so within two weeks.

But the campaign's recent successes may be misleading. Political and legal realities suggest that chances are slight that a constitutional convention

will be called. The drive probably will prompt some action from Congress on the budget issue—but it is likely to fall far short of a constitutional requirement for a balanced budget.

Proponents of the convention drive face three obstacles.

They have an uphill fight to win the approval of the additional states needed to reach 34. If they do accumulate 34 state resolutions, Congress is likely to hold many of them invalid. And if proponents ever approach 34 valid resolutions, Congress is likely to adopt legislation or propose a mild amendment in order to avoid calling a convention.

The Constitution says amendments can be proposed by a two-thirds vote in Congress or by a convention called at the request of two-thirds (34) of the states. In either case, any proposed amendment would have to be approved by three-fourths (38) of the states to take effect.

The drive for a constitutional convention started slowly four years ago and then picked up steam last summer in the furor surrounding California's Proposition 13. Brown's declaration of support six weeks ago added new impetus.

But Brown's support, and the attention it won for the convention campaign, spawned a counterattack from Washington. House Speaker Thomas P. (Tip) O'Neill Jr. (D-Mass.) established a task force on the issue. Last week the task force chairman, Rep. David Obey (D-Wis.) sent a tough letter to every governor warning that federal aid to state and local government is sure to be a victim of a balanced-budget austerity wave.

When the governors gather here for a conference this week, congressional leaders will be among them for anti-convention lobbying—although this effort may be offset by the personal lobbying of Jerry Brown.

The National Conference of State Legislatures has scheduled a meeting here this week, too, and the legislators will be welcomed to Washington by Sen. Edward Muskie (D-Maine), chairman of the Senate Budget Committee and a caustic critic of the balanced-budget proposal. Muskie will reinforce the message that local aid will be slashed if the states force any budget-cutting action on Congress.

To counter the Obey-Muskie argument, some proponents of a constitutional amendment have proposed add-

ing language that would prohibit any significant cuts in local aid. That idea, in turn, hardens the congressional leadership's opposition to any budget amendment.

Two Senate committees will hold hearings early in March on the wisdom of holding a convention and on the need for a constitutional regulation of the budget. The witness lists suggest that the sessions will portray a constitutional convention as an invitation to disaster and a balanced-budget requirement as an economic straitjacket.

On the House side, Chairman Peter W. Rodino Jr. (D-N.J.) of the Judiciary Committee has planned a cautious, drawnout investigation of the various proposals for an amendment limiting government spending. "Rodino has launched a turtle," said one aide to the House leadership. The purpose is to create enough evidence of congressional activity to deter additional legislatures from demanding a constitutional convention.

President Carter and Vice President Mondale are as strongly opposed to a balanced-budget convention as the congressional leadership, but the White House has not yet been active in the opposition campaign. That may be starting to change.

"Everybody here is afraid of the rogue elephant idea of a convention . . . so we would give them something . . ."

# Drive May Not Reach Finish Line



Sen. Richard Lugar (R-Ind.), left and Rep. Andrew Jacobs (D-Ind.) announcing that they expect Indiana to join call for a constitutional convention. At right is James Davidson, president of the National Taxpayers' Union.

Political advisers are urging the president to take a visible position against the convention drive. They argue that Brown, a potential rival for the presidency, erred badly in boarding this handwagon, and that Carter can capitalize by fighting it. And they think such an effort would win back Democratic liberals who are disenchanted with Carter.

The burgeoning backlash from Washington comes just as the convention drive is moving into already hostile territory. Since most states in the South and West already have passed resolutions, the fight for the last half-dozen states will have to focus on the industrial northeast—where local budgets are particularly dependent on federal money.

The proponents recently have suffered the first serious setbacks of their four-year effort. Last week's defeat of a resolution in Brown's own state, California, was a significant psychological blow. Although the Taxpayers' Union lists Iowa as one of the states that passed a resolution, that legislature two weeks ago defeated a call for an immediate convention, approving in its place a request for a convention only if Congress fails to act on the budget issue by July 1, 1980.

If more states do demand a convention on the budget issue, Congress will begin to scrutinize the resolutions it has received—and that could be fatal to the convention drive.

Of the 28 resolutions approved to date, 16 ask Congress either to convene a constitutional convention or to propose an amendment of its own. Congressional lawyers studying the issue say flatly that such conditional requests are not valid demands for a convention. Some of those 16 set no time limit for Congress to propose an amendment—so there is no date when the "conditional" convention call becomes effective.

Although the intent of most of the 28 resolutions is clear, the states have passed a hodgepodge of different proposals. In some cases, different houses of the same legislature sent in different resolutions. A dozen states that passed resolutions have not sent them to Congress.

There also are technical difficulties in some state resolutions. Delaware, for example, asked for a convention only if 33 other states propose an amendment identical to Delaware's version. To date, no other state has adopted Delaware's wording.

Backers of the convention drive say Congress would be guilty of outrageous nitpicking if it rejected a convention on these technical grounds. Dave Keating of the Taxpayers' Union agrees that some resolutions are "marginal," but says it is unrealistic to expect 34 different legislatures to agree on nearly identical language.

Keating says any resolution rejected by Congress would be revised and resubmitted quickly. But Fred Werthelmer, a vice president of Common Cause, which opposes a convention, says this is not the case. "A lot of states that passed this back when nobody was looking very hard at it might think twice if they got another chance."

In any case, there is a broad and bipartisan consensus on Capitol Hill that Congress would not call a consti-

tutional convention even if 34 arguably valid resolutions were submitted.

"Everybody here is afraid of the rogue elephant, idea of a convention,"

said one senior House Republican. "So we would give them something, a balanced budget next year or maybe even a proposed amendment, before

we would let the states get into the amending business."

Staff writer Mary Russell contributed to this report.

# JOHN E. HAVELOCK

2024 ESQUIRE DRIVE  
ANCHORAGE, ALASKA 99503  
(906) 274-6783

March 31, 1981

Mr. Kevin Bruce  
Office of Senator Pat Rodey  
Pouch V  
Juneau, Alaska 99811

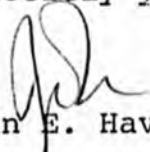
Re: Constitutional Amendment on Balanced Budget

Dear Kevin:

I have received the enclosed communication from Common Cause, an organization for which I am the Alaska correspondent. Can you give me some reading as to whether there is a likelihood that this will go somewhere?

If it looks like this is going to receive serious attention, could you tell me what the committees of referral might be and any information on a time table for consideration.

Sincerely yours,

  
John E. Havelock

JEH:pb  
Enclosure  
cc: Common Cause  
Washington, D. C.

*no enclosure*

# Balanced budget urged

By The Associated Press

The federal government should be required to balance its budget each year, and Alaska should enact a constitutional limit on both operating and capital spending, lawmakers were told today.

The testimony came during a House Finance Committee hearing — the first hearing of the session on proposals to place a cap on state spending, which Gov. Jay Hammond and some lawmakers have termed a top priority.

"The Legislature has spent every dime every year...eventually it's going to destroy us," said Rep. Oral Freeman, D-Ketchikan.

Fellow Ketchikan Democrat Terry Gardiner, sponsor of a proposed constitutional amendment (HJR4) that would limit capital and operating expenditures to the annual growth rate of the state economy, urged lawmakers to approve a spending limit this session — even though it could not take effect until 1983.

"It's important to do it this year...so we will have some defense against all the spending requests next year," Gardiner said. If passed by the Legisla-

ture, the amendment still would require ratification by voters. It approved by lawmakers either this year or next, the amendment would be placed on the 1982 statewide ballot.

Gardiner said that in the past he "would vigorously have opposed" a limit on state spending. But he said the vast amount of oil revenue pouring into state coffers mandates a spending ceiling.

Without Alaska, an excess of revenue now, Gardiner warned that during the 1990s Prudhoe Bay oil revenues are to decline sharply.

Gardiner also said the rules of the budgeting game have changed drastically since Alaska became so wealthy. Constituents and local governments are requesting more and more programs and projects, he said.

"Our demands are five or 10 times what they were" a few years ago, Gardiner said. "We used to be able to say 'we don't have the money,'" or that taxes would have to be hiked to support a new service.

Gardiner noted that Gov. Jay Hammond, during his first term in office, was fond of repeating two rules he considered ap-

propriate — that "users should pay for services" and that the state should adopt a "pay as you go" approach.

"I think those rules are all out the window now," Gardiner said. He said there's a common attitude that industry, such as coal or agriculture, should not be required to pay for development when the state has plenty of money.

The committee plans further hearings on Gardiner's proposal, which is fairly similar to one introduced by Gov. Jay Hammond. Finance Chairman Sam Cotten, D-Eagle River, said he intends to "make every attempt to get this passed this year."

Before taking up the state measure, committee members heard testimony from Jim Clark, president of Maryland's state Senate, urging Alaska to join more than two dozen other states in calling for an amendment to the U.S. constitution requiring the federal budget to be balanced each year except in emergencies.

With a national debt of about \$985 billion, and annual payments of nearly \$100 billion required on the debt, Clark said it is crucial that Congress be disciplined by a constitutional limit. "You can't keep on spending money you haven't got forever," he said.

The state of Maryland is required to balance its budget "and it's worked very well," Clark said.

Only four more states are needed to require a constitutional convention to pass a balanced budget amendment. By law, if two-thirds of the states pass resolutions calling for a convention, one must be held.

Clark urged Alaska to join in the fight by passing a resolution sponsored by Rep. Mike Beirne, R-Anchorage, and 13 other House members calling for a constitutional amendment requiring a balanced federal budget.

But a spokeswoman for Common Cause of Alaska and the state branch of the American Association of University Women said a balanced budget amendment would be a bad idea.

Susan Clark said such an amendment would be an "economic straitjacket" that would not give government adequate flexibility to respond to a recession. She also Congress could devise ways to get around the requirement, and that there are more effective ways to reduce inflation and curb excessive federal spending — such as weeding out unneeded or wasteful programs.

## Balanced budget amendment support asked

By JON MATTHEWS  
Daily News reporter

JUNEAU — The president of the Maryland State Senate asked Alaska lawmakers here Wednesday to join 30 other states seeking a U.S. constitutional amendment requiring a balanced federal budget.

But some key Alaska legislators, while voicing support for less federal spending, appear to have little enthusiasm for making major changes in the U.S. Constitution.

Sen. Jim Clark of Maryland urged the House Finance Committee to approve a resolution asking Congress to either submit a balanced budget constitutional amendment to the states for ratification, or call a constitutional convention on the issue.

Thirty states already have asked for such a convention, and four more states are need-

ed to force Congress to call one.

"You can't keep on spending more money than you've got and get away with it," Clark said. "The real reason that the cost of money is so high now is that the government has to borrow so much."

Clark said his state is required to balance its budget, "and I'm sure that if we didn't have to balance the budget in Maryland, we wouldn't do it."

The Maryland lawmaker said the national debt is now rising to \$985 billion, and that payments on the debt are approaching \$100 billion per year.

The U.S. government also has nearly \$1 trillion in liabilities in the federal pension system, he said.

Rep. Oral Freeman, D-Ketchikan, said he has long felt that one of the functions of government is "printing up our

money to buy our votes with."

Rep. Brian Rogers, D-Fairbanks, argued the federal government wouldn't now have to be cutting back on social programs if it weren't for required payments on the debt from "past excesses."

The finance panel took no action on the measure.

House Judiciary Chairman Fred Brown, D-Fairbanks, said if the House finance panel does approve the call for a constitutional change, he will request the resolution (HJR17) be sent to his committee.

Brown said that while he doesn't necessarily oppose balancing the federal budget, he has major doubts about the wisdom of calling a constitutional convention to force the issue.

Brown said that if a constitutional convention were called on a balanced budget, "it's

likely that the entire constitution would be fair game for changes" during the gathering.

"We're talking about a convention that could change such things as the right of free speech and the Bill of Rights," Brown said. "It could touch the very fiber of the American government and freedoms."

"I'm not willing to do that (call for a convention)," Brown said.

Ted Stein of Common Cause, a national public interest group opposing the constitutional change, said a forced balanced budget could put the federal government into "an economic straitjacket."

Stein said such a budget amendment also could lead to the federal government "playing games" with the budget to disguise spending increases by creating "off-budget" categories.



Washington — There was a flashing warning light for President Reagan in that vote in the Senate Budget Committee the other day rejecting the 1982 budget resolution.

In the long run, it is unlikely that any serious harm has been done to the White House's economic recovery program. There are ways to rewrite that resolution to project a balanced federal budget in 1984 and thus satisfy the three conservative Republican senators who defected — William Armstrong of Colorado, Steven Symms of Idaho and Charles Grassley of Iowa. Moreover, there is nothing legally binding on the Senate or anyone else in the budget projection for 1984.

But the message has now been spelled out in neon letters that Republican conservatives are not going to sit still for anything that even suggests a tempering of Reagan's commitment to balance the federal budget.

"We need to make it clear," Armstrong said after the vote, "that there are a lot of us who feel that to balance the budget is a priority of the utmost, crucial importance." Any failure to insist on that, he said, "breaks the contract we have with the voters."

**IN POINT OF FACT**, the White House has not backed away from its commitment to a balanced budget. But it has not yet produced the specific proposals for additional spending cuts in fiscal years 1983 and 1984 that would wipe out the projected deficit of almost \$45 billion in 1984. And the three Republicans who cast

it on faith that these added cuts would be along later.

One reason, obviously, is the vision of the Democrats in the House producing a resolution projecting a balanced budget in 1983. Even if the conservatives disagree, as they do, with the means used to achieve that balance on paper — most notably reductions in defense spending — no Republican wants to be obliged to explain why his party apparently is being outdone by the Democrats on such a central issue.

But quite beyond that, these are Republicans who want to take full advantage of what they see as their single best chance to bring about radical change in the way business is done here. As Symms of Idaho put it: "We have a window of opportunity now to straighten out this mess the liberals left us with."

**BOTH THE WHITE HOUSE** and the chairman of the committee, Sen. Pete Domenici, were given some warning of this before the vote. Armstrong, for one, urged that the vote on the resolution be delayed in the committee until the balance could be achieved rather than going to the Senate floor with a measure that would make them politically vulnerable.

But these signals were ignored until it was too late, and the result was a vote that appeared to be a rebuff to the president, even while he was still in the hospital recuperating from the attack on his life.

That startled some of the older hands here. "If that had been MY president" — meaning a Democratic

York, "I'd have voted for the resolution."

The defectors chose, of course, to avoid the inference that this was a "defeat" for the injured president. "It's not a defeat for the president's program," said Grassley. "The president's program is a balanced budget in 1984." Said Symms: "I feel like that vote . . . was a victory for Reagan, not a defeat . . . that's a good resolution but now we can make it better."

And Armstrong raised the possibility of two hazards for Reagan in demanding anything less than the fully balanced budget. One is the possibility that if it were not assured, some Republicans might back away from the tax cuts that comprise the other main element of the president's program. The other, the Colorado Republican said, is the chance that a temporizing resolution might send a signal to business and labor that the Republicans are not serious about going all the way. "If we back away from that," he said, "we're saying maybe we can't do it."

**THERE IS NO SUGGESTION** in the Budget Committee action of any serious division between these conservatives and Ronald Reagan on their final goals. As Armstrong put it, "There's no difference on where we want to end up."

But what the vote in the committee demonstrated is that these senators have their own political agendas — and their own political commitments to fulfill. And that means a balanced budget is not negotiable for a Bill Armstrong. "Our

POLITICS TODAY

## The hazards of an unbalanced budget

by Jack W. Germond and Jules Witcover

# Weighty change needs close look

Coming before Alaska's Finance Committee today is a resolution that could have widespread national implications — and thus deserves the closest consideration.

The resolution concerns an idea floated by the National Taxpayer's Union to install in the U.S. Constitution an amendment requiring a balanced federal budget every year. If passed, the resolution would add Alaska to the list of states calling for a constitutional convention designed to write and propose such an amendment to the American people.

Similar resolutions have been kicking around Alaska's legislative halls for years without much success or significance. But this year, the tally of states which have passed similar resolutions has reached 30 — putting balanced-budget amendment proponents tantalizingly close to the 34 states needed under Article V of the U.S. Constitution to convene a constitutional convention.

No one quite knows how such a convention would be organized, how its delegates would be chosen, or what topics it might consider beyond the amendment at hand. A constitutional convention, after all, is a tool that has not been used since 1787 — when the U.S. Constitution first was drawn up.

All subsequent amendments to the Constitution have been proposed by two-thirds vote of both houses of Congress. Proponents of the balanced-budget amendment, however, have chosen the convention route — believing, perhaps, that politicians in Congress would be reluctant to support an amendment that would so radically change their powers.

There can be no doubt such a change would have far-reaching implications. Among the financial institutions vitally affected would be the Federal Reserve, all commercial banks and lending institutions, and the nation's bond markets. Both Congress and the president would be bound by far more than political pressure in designing their legislative objectives; the highest law of the land suddenly would limit their options for response to economic conditions.

Federal fiscal policy is widely regarded as a tool to be used to promote economic growth and stability — through wide disagreement exists as to the means and methods best used to achieve those aims. A balanced-budget amendment would remove the fiscal tool from policy-makers' repertoire. That goal might win support in some quarters, but there can be no question it would be a massive change in the scope of government powers.

Most economists now believe federal budget deficits can help fuel inflation, and many Americans now believe a balanced budget is desirable at this time.

But it is a big jump from that calculation of economic best interests to the belief that the federal budget must be balanced every year and under all economic circumstances. It is an even bigger jump to agree that such belief must be written into the fundamental charter of our government — and that a device untested since 1787 should be used to achieve it.

Economic orthodoxies — like all products of human intuition — change with time and events. Unchallenged assumptions of a century ago became unneeded hindrances of a generation ago and then revived wisdom of a decade ago. No doubt the discipline of economics will continue to evolve as political and economic factors impinge on public life.

The question of which economic ideas ought to be enshrined in the highest law of the land is a weighty one indeed — and Alaska's legislators hold an important position in the debate. We urge them to examine the matter carefully.

# Convention call: unnneeded, unwise

Two varied voices offered legislative wisdom last week that ought to provide direction on the matter of Alaska's attitude toward a federal constitutional convention.

First Sen. Robert Ziegler went public with his complaint that Sen. Pat Rodey, who chairs the Senate Judiciary Committee, has not dislodged from committee a bill calling for such a constitutional convention. Political byways and legislative procedures aren't often debated in public, but as Sen. Ziegler said, "Sen. Rodey knows I want this bill so bad I can taste it."

Then Rep. Don Clocksin criticized the crush of legislation that either paralyzes committee work or forces important bills to receive only two or three minutes' consideration. The legislature, suggests Rep. Clocksin, simply must learn to say no to bad ideas — presumably to give it time to develop more good ideas.

Well and good. Balancing the federal budget in these highly inflationary times may be a good idea, but convening a federal constitutional convention for that purpose most assuredly is not.

Such a convention will occur if just four more states call for it; hence Sen. Ziegler's eagerness to discharge his bill from committee. He has introduced similar resolutions without success for several years running; this year the growing national tally and the political momentum behind the desire to balance the budget have brought new urgency to the quest.

But the bill — all due respect for the senator's intentions aside — remains a bad idea.

Legal experts and scholars of all ideological persuasions have criticized the use of a constitutional convention as a blunt and unwieldy instrument for change. They point out that Article V of the Constitution sets no boundaries on the topics to be considered at such a convention, and they fear that chaos could result if pressure groups of every ilk seek to exploit the opportunity to mold the Constitution to their purposes. If ultimate and radical change in the Constitution became necessary to suit that document to American needs, a convention might be in order. We don't think that is true today.

Nor does the current political desire to balance the federal budget merit a place in the fundamental law of the land. Debate over economic and fiscal policy is important enough at a political level, but it hardly deserves standing with the Bill of Rights and branches of government as cornerstones of the republic.

Opponents of the measure claim calls for a convention have been railroaded through other state legislatures without close consideration — politicians simply agreeing to the balanced-budget aim without any real expectation the convention would become a reality. That luxury no longer exists in this case, and anyway we trust Alaska's legislators would look carefully before acting upon any measure with such far-reaching implications.

Wiser still, they could just say no *before* becoming entangled in debate over the purposes and effectiveness of federal fiscal policy. Given the importance of the matter, the Alaska Legislature can do this state — and indeed the whole nation — a big favor by simply tossing out this bad idea and turning to more productive endeavors.

ASR-50 A6

SEP 19 ~~BRUNNEN~~ ~~COLLECTOR~~

OIL + GAS

19y SB120 FLC

~~19y~~ SB121 - FINANCE

HB603 - Rules

19N SJR4  
STURCOWSKI  
COLLECTOR  
~~BRUNNEN~~ Kelly

~~19y~~ SB168

SB181 → ITALIA

19y

SB5

HB24 - HESS, FINANCE

19N

SB29

19N NO 297

FANTASIA  
PINE  
ROOBY

DANUCOWSKI  
BENNETT  
STIMSON

SJR

39

COMMITTEE REPORT  
SENATE

FURTHER: Finance

~~XXXXXX~~

4/28/81

Date:

May 15, 1981

Mr. President:

The Committee on JUDICIARY has had SJR 39

Proposing an amendment to the Constitution of State of Alaska relating to incurring general obligation indebtedness for housing

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass INDIVIDUATE  do not pass
- do pass with attached RECOMMENDATIONS amendments(s)
- replace with CS for \_\_\_\_\_  same title
- and recommends \_\_\_\_\_  new title
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

John...  
\_\_\_\_\_  
William...  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
CHAIRMAN

2-2-1981

gagor who assumes a mortgage that had been made from proceeds of a qualified mortgage issue. Those requirements are the residence requirement (subsection (d)), the 3-year requirement (subsection (e)), the purchase price requirement (subsection (f)), and the income requirement (subsection (h)). These requirements are to be determined based upon the facts as they exist at the time of the assumption as if the loan were first being made at that time. For example, the average income of the statistical area is to be determined by the average income at the time of the assumption and not when the mortgage was originally made. Similarly, the purchase price requirement is determined by reference to the purchase price of the residence at the time of the assumption and not at the time the mortgage was originally made.

### 3. Qualified veterans' mortgage bonds

The bill also provides that qualified veterans' mortgage bonds shall not be treated as mortgage subsidy bonds. Under this provision, interest on a qualified veterans' mortgage bond will be exempt from Federal income taxation if the bond otherwise meets the general requirements of section 103.

In general, a bond is a qualified veterans' mortgage bond only if it meets certain specific requirements. First, the principal and interest on the bond must be secured by the general obligation of a State. Second, substantially all the proceeds of the bond must be used to provide residences for veterans.<sup>6</sup> For purposes of this provision, the term "veteran" has the same meaning as in section 101 of Chapter 1 of Title 38 of the United States Code (relating to veterans' benefits). Under that provision the term veteran means a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable. Third, for bonds issued after the date of enactment of the bill, the bonds must be in registered form. (See above for a discussion of registered form.) Fourth, in order to be a qualified veteran's mortgage bond, no part of the proceeds of the bond may be used for acquiring or for refinancing of existing mortgages. The proceeds of a qualified veterans' mortgage bond are to be used solely for new mortgage loans.

### 4. Advance refunding

The bill prohibits the advance refunding of any bond if a significant portion of the proceeds are used for mortgages on owner-occupied housing. This provision applies to all bonds the proceeds of which are used for such purpose whether the bond was issued before, on, or after the date of enactment. Under this provision no obligation may be issued for the advance refunding of any mortgage subsidy bonds, including qualified mortgage bonds and qualified veterans' mortgage bonds.

In general, an obligation issued for the refunding of a mortgage subsidy bond will be considered to be an advance refunding obligation if it is issued more than 180 days before the prior issue is redeemed.

<sup>6</sup> The term "substantially all" has the same meaning as under section 103(b)(4) of the Code.

THE OPTIONS

Tax-Exempt Revenue Bonds

Basically the Ullman bill limits Alaska's issuance of tax-exempt revenue bonds used for purchasing mortgages to \$200 million per year, of which only \$100 million could be issued by AHFC, the remainder being reserved for municipalities. Because of several other restrictions, listed in the attachment, AHFC has doubts about whether there would be even \$100 million of qualified mortgages that they could purchase. AHFC has commissioned ISER to provide them with a report, due this February, as to just how much demand in terms of qualified mortgages would exist in FY 82 as well as total mortgage demand. In any event, no tax-exempt revenue bonds can be issued after December 31, 1983 under the Ullman bill. Municipalities are waiting for Treasury regulations before taking any actions themselves.

*Handwritten notes:*  
checked at  
AHFC  
report from  
ISER (p. 1)  
or  
has been  
returned in?

G. O. Bonds for Veterans

The one loophole in the bill is that general obligation bonds for veterans' mortgages are not prohibited or limited. This avenue could possibly fulfill up to 40% of AHFC's demand.

However, constitutional questions about such bonds might effectively preclude their use prior to a constitutional amendment. The constitution provides that G.O. bonds are to be authorized only for "capital improvements." Some of the opinions on this issue hold that there are two tests of what constitutes a "capital improvement." One is that a tangible physical asset be created; the other is that the state acquire a legal interest in the asset.

Even if a legal opinion could be gotten which claimed G.O. bonds for veterans' mortgages were constitutional, the potential question would remain and might effectively preclude marketing the bonds. A constitutional amendment, if passed in the 1982 general elections, would not be of any assistance until the last half of FY 83.

*Handwritten notes:*  
No  
Dingler

1. Sale of Tax-Exempt Bonds: Although the Ullman Bill does sharply restrict the use of tax-exempt bonds, it does allow each State to sell tax-exempt bonds to a maximum of \$200 million per year or 9% of the average annual mortgages for the past three years. In the case of the State of Alaska, this means \$200 million per year could be funded through the sale of tax-exempt bonds. However, legislation further provides that only 50% of this amount can be utilized by the State Housing Finance Agency. Since the Alaska Housing Finance Corporation estimates a need of \$700 million for next year, \$100 million of this amount could be raised from the sale of tax-exempt bonds with the remaining \$600 million from other sources.

2. Pass Through Mortgage Certificates: Pass Through Mortgage Certificates are securities participating in a pool of specific mortgages whereby the actual payments to interest and principal pass through on a pro rata basis to the holder of the certificate. Because residential mortgages are traditionally paid off well before their maturity (average of 7 years), such certificates represent a shorter term investment than 30-year mortgage bonds. As a result, the required interest rate on such certificates is usually less than long-term bonds. According to the Barker memo, Merrill Lynch indicates that such certificates could be sold on the market for 13 1/2% as opposed to 15% for mortgage bonds.

3. General Obligation Bonds for Veterans: The Ullman Bill specifically allows the sale of tax-exempt general obligation bonds to fund veteran loan programs similar to those now in effect in California and Oregon. The staff of the Alaska Housing Finance Corporation has already explored this possibility and estimates that 30% to 40% of the total financing market is represented by veterans. Assuming the lower figure means that \$210 million of the total \$700 million need could be met through inexpensive tax-exempt bonds. Unfortunately, the issue has not been completely clarified as to whether or not Alaska can sell such bonds without a Constitutional Amendment. If the Attorney General rules that they can be sold, then immediate steps should be taken to implement such a bond sale. If a Constitutional Amendment is required, it will not be possible to implement such a program during 1981. Nevertheless, even though there might be a delay in implementing such a program, it will be a solution to future needs and should be pursued as quickly as possible.

4. Sale of Tax-Exempt Bonds for Rental Housing: Since the total thrust of the Ullman Bill was to limit the sale of tax-exempt bonds to make loans for the purchase of housing, it did not in any way limit the authority of the Alaska Housing Finance Corporation to sell tax-exempt bonds for low and moderate income rental housing. Since Alaska will soon experience a shortage of rental housing as well as owner-occupied housing, immediate steps should be taken to implement a sale of tax-exempt bonds to provide loans for construction of low and moderate income rental housing.

# Alaska State Legislature

SENATOR  
BRAD BRADLEY  
P.O. DRAWER 8-Q  
ANCHORAGE, ALASKA 99508  
(PERMANENT ADDRESS)  
PHONE: (907) 337-1060

POUCH V - STATE CAPITOL  
JUNEAU, ALASKA 99811  
(LEGISLATURE ADDRESS)  
(JANUARY - JUNE)  
PHONE: (907) 465-3791



## Senate

ASSISTANT FLOOR LEADER  
REPUBLICAN CAUCUS LEADER

### COMMITTEES

CHAIRMAN  
VETERANS AFFAIRS

MEMBER  
STATE AFFAIRS  
RESOURCES  
LEGISLATIVE COUNCIL

April 29, 1981

TO: All Senators

FROM: Senator Brad Bradley  
by  
*FL* Frank Lee, Staff Assistant

SUBJECT: Request for Co-Sponsorship

Last year, the United States Congress passed a piece of legislation that had severe effects on the bonding capability of states. This piece of legislation was known as the Ullman Bill, HR 5741. The Ullman Bill specifically allows the sale of tax exempt general obligation bonds to fund veterans loan programs, similar to those regulations now in effect in California and Oregon.

Figures that we have from the Alaska Housing Finance Corporation leads to an estimation that 30%-40% of their total financing market is represented by veterans loans. Assuming the lower figure, this means that \$210 million of the total \$700 million need could be met through inexpensive tax exempt bonds. However, the issue has not been clarified as to whether Alaska can sell such bonds without a constitutional amendment. In my discussions with the Attorney General's Office, I have been led to believe that, if we sold these bonds without a constitutional amendment, we would be exposed to a friendly court action.

I am proposing that we get a constitutional amendment on the ballot through a Senate Joint Resolution. Passage of this amendment would permit the State to issue tax exempt bonds for veterans housing loans. Rough estimates indicate a potential savings of \$25 million by using the general obligation bond market; and non-veterans, as well as veterans, would be benefited inasmuch as the entire AHFC portfolio would be more profitable.

I would appreciate your co-sponsorship on this very important resolution.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

SJR 39

I. REQUEST

Bill/Resolution No. SENATE JOINT RESOLUTION NO. 39  
 Title Amendment to the Constitution of the State of Alaska relating to incurring general  
Requested by obligation debt for housing Date 4/28/81

Requested by Senate Judiciary Committee

II. FISCAL DETAIL

Agency Affected State Bond Committee, Dept. of Revenue

Program Category Affected General Fund Debt Service

BRU, Program, or Subprogram(s) Affected \_\_\_\_\_

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Proposes an amendment to the Constitution of the State of Alaska to allow General Obligation bonds to be sold for housing for State residents. To be placed on the next general election ballot.

Any bonds sold will generate additional annualized debt service which would depend on the amount of bonds sold. Current AHFC level of production is \$500-\$700 million per year.

*Anselm C. Staack*

IV. DATE May 4, 1981 PREPARED BY Anselm C. Staack, Treasury Comptroller

AGENCY Dept. of Revenue/Treasury Division

Original: Legislative Finance PHONE 465-2351

cc: Budget and Management  
Prime Sponsor (First Legislator Named)

SJR

54



SENATE AMENDMENT

The Judiciary Committee

By \_\_\_\_\_

To:   SJR 54  

SENATE BILL No. \_\_\_\_\_

To: \_\_\_\_\_

HOUSE BILL No. \_\_\_\_\_

PAGE:

LINE:

Line 16, Page 1:

Delete "a" and insert "another" in its place

Line 26, Page 1:

Delete "a" and insert "another" in its place

Per File - Penny Parsons  
BRANCH OF POWER QUESTION Introduced: 6/23/81  
HOW SHOULD WE SUPPORT DECISIONS Referred: Judiciary  
UNDESIRABLE VIEW TO FRANCHISES OF CONSTITUTION

1 IN THE SENATE BY PARR

2 SENATE JOINT RESOLUTION NO. 54

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitu-  
6 tion of the State of Alaska relating  
7 to the confirmation of appointments  
8 by the governor.

9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. Article III, sec. 25, Constitution of the State of Alaska,  
11 is amended by adding a new subsection to read:

12 (b) The legislature may, by passage of a concurrent resolution  
13 adopted by a vote of (two-thirds) <sup>two-thirds</sup> of the membership of each house, with-  
14 draw confirmation of the head of a principal department. On the with-  
15 drawal of confirmation under this subsection, the governor shall submit  
16 <sup>ANSWER</sup> name for confirmation. Withdrawal of confirmation is not permitted  
17 during the six months after the appointment or during the last six  
18 months of the term of office of the governor.

19 \* Sec. 2. Article III, sec. 26, Constitution of the State of Alaska, is  
20 amended by adding a new subsection to read:

21 (b) The legislature may, by passage of a concurrent resolution  
22 adopted by a vote of (two-thirds) <sup>three</sup> of the membership of each house, with-  
23 draw confirmation of a member of a board or commission at the head of a  
24 principal department or a regulatory or quasi-judicial agency. On the  
25 withdrawal of confirmation under this subsection, the governor shall  
26 submit <sup>ANSWER</sup> name for confirmation. Withdrawal of confirmation is not  
27 permitted during the six months after the appointment or during the  
28 last six months of the term of office of the governor.

29 \* Sec. 3. The amendments proposed by this resolution shall be placed

Ray/M.O.

Ray/M.O.

MOTION FAILS

1 before the voters of the state at the next general election in conformity  
2 with art. XIII, sec. 1, Constitution of the State of Alaska, and the election  
3 laws of the state.

4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

Raji: GOVERNOR SHOULD PROPOSE SESSION LIMITATIONS  
IF HE'S WORRIED ABOUT BALANCE OF POWER.

Pratt: WOULDNT BE IN CONFLICT WITH CONSTITUTION  
IF PUBLIC ADOPTS IT SEEMS LIKE  
GOOD PUBLIC POLICY.

WHAT IS PROBLEM WITH LEGISLATURE ABLE  
TO REVIEW APPOINTMENTS.

Pratt: DICHOTOMY IN CONSTITUTION - WHY CAN'T  
WE CHANGE

Pratt

Raji - maybe the outside should be 5/11



Official Business

# Alaska State Legislature

Senate

Committee on Judiciary

Pouch V  
State Capitol  
Juneau, Alaska 99811

## MINUTES OF THE SENATE JUDICIARY COMMITTEE

OF

JANUARY 22, 1982

Butrovich Committee Room, State Capitol Juneau, Alaska

### Legislation Before Committee:

SJR 54 - Proposing amendments to the Constitution of the State of Alaska relating to the confirmation of appointments by the governor.

SSSJR 10 - Proposing amendments to the Constitution of the State of Alaska relating to agricultural rights in the state lands.

The meeting of the Senate Judiciary Committee was called to order by Vice-Chairman Bennett at 1:45 P.M. Committee members present were: Senators Bennett, Ray, and Parr. Senators Rodey and Hohman were absent.

The first legislation before the committee was SJR 54. Pete Froehlich, representing the Attorney General, spoke against the resolution. It was his belief that adoption of such an amendment would alter the balance of power between the executive and legislative branches. He further stated that a commissioner could not make unpopular decisions in fear of removal by the Legislature. It was the view of the Attorney General's office that this amendment would be undesirable to the framers of the Constitution.

Senator Parr explained the purpose behind the amendment and gave a brief history of his experiences with executive appointments.

Senator Ray moved that on Page 1, Line 16, and on Line 26, the word "a" be struck and the word "another" inserted in its place. There was no objection to the amendment and it was adopted. Senator Ray further moved that on Page 1, Line 13, and Line 22, the words "two-thirds" be deleted and the words "three-fourths" substituted. Senator Parr objected the amendment. On a roll call vote, Senator Ray voted yes, Senators Parr and Bennett voted no and the amendment was not adopted.

Senator Parr moved that the resolution pass from committee as amended with individual recommendations. Senator Ray requested that the chair hold it over for one meeting and it was so ordered. Senator Bennett requested that the staff bring this resolution before the committee at the next meeting.

The committee next took up SSSJR 10. Bob Palmer, Office of the Governor, testified in favor of the resolution. He indicated that this amendment would end speculation in agricultural land and should keep the price where farmers could afford to acquire and work parcels. Nick Carney, Department of Natural Resources, also supported the legislation and responded to questions by the committee. Marcia Vandercook, of Senator Kerttula's office, also spoke in favor of the resolution.

The committee was concerned that land claimed by Native Corporations or local governments that had previously been classified as agricultural land could not use the land for other purposes. Mr. Carney replied that this was correct, but that land selectors could have the land re-classified before it was conveyed. The committee took no action on the legislation.

The meeting was adjourned at 2:30 P.M.

SJR

55

SJR 55

Alaska State Legislature



Senate

SENATOR MIKE COLLETTA

February 25, 1982

The Honorable Victor Fischer  
Chairman  
State Affairs Committee  
Pouch V  
Juneau, Ak 99811

Dear Senator Fischer:

Enclosed is a copy of a poll conducted by Dave Dittman for the Free Committee showing conclusively that Alaskans favor limiting the terms of legislators.

Based on the overwhelming statistics contained in the poll, I urge you to schedule hearings as soon as possible on Senate Joint Resolution 55, which I introduced earlier this session.

The resolution, which must pass this session to gain a spot on the 1982 general election ballot, would limit the number of terms a legislator may serve to four consecutive terms in the House and two consecutive terms in the Senate.

Nothing in the resolution prevents an incumbent from running for office in the opposite house after serving the maximum time in one body, or to sit out a term and seek election to his former seat.

I just feel it is good business practice to rotate people, before old habits set in. And apparently Alaskans hold the same opinion. Of the 455 persons interviewed in 51 communities across the state, 62 percent favored limiting the terms of legislators. The trend was consistent among Alaskans of all ages, background and areas of the state.

Again, I request that you take up SJR 55 as soon as possible, in order to allow the public ample time to testify on this matter.

Sincerely,

Handwritten signature of Mike Colletta in cursive.

Mike Colletta

cc: all Legislators

MULTI-QUEST

VOLUME IX

MARCH 1981

PREPARED FOR

ANCHORAGE WOMEN'S CLUB  
FREE COMMITTEE

DITTMAN RESEARCH CORPORATION  
ALASKA BANK OF COMMERCE BUILDING  
3230 "C" STREET  
ANCHORAGE, ALASKA

*Alaska Analysis / Dittman Research*

SURVEY ACCURACY

The Dittman Research Corporation, recognized in 1978 as one of the nation's most accurate political survey research organizations following a nation-wide comparison of published pre-election survey results, further enhanced the reputation following the 1980 General Elections in Alaska. The final pre-election state-wide survey published in The Anchorage Times reported that Frank Murkowski would defeat Clark Gruening by 8% and become Alaska's new U.S. Senator. After all challenged and absentee ballots were counted, the certified results revealed Murkowski had defeated Gruening by 8.002%.

*Alaska Institute for Public Affairs*

## METHODOLOGY

During the period February 27 - March 5, 1981, residents of the sample locations listed on the following pages were personally contacted by telephone by professional interviewing employees of the Dittman Research Corporation. The views and opinions of the Alaska residents were recorded on a number of topics on a strictly confidential basis.

Research design- A random sample design was featured which provided that all residents of those communities included in the survey had essentially the same chance of being interviewed. The sample was apportioned based on the population of the included communities.

Sample selection- The Anchorage sample was selected through a computer-generated random digit dialing program. This is particularly important in Anchorage due to a 40% rate of unpublished and unlisted numbers.

The sample in the other communities state-wide was randomly selected from current telephone subscribers listed in the most recent telephone directory for each community. In these communities the percentage of non-listed numbers does not exceed 10%.

PROCESSING THE DATA-

Dittman Research Employees completed the coding and editing, while all key-punching, verification, and data processing was completed by Boeing Computer Services Company through the Statistical Package for the Social Sciences (SPSS) programs. The SPSS package is one of the most sophisticated research-oriented data processing and analytical systems available, and is designed specifically for the processing and analysis of survey research data.

SAMPLE LOCATIONS

Sample points are assigned geographically throughout Alaska in such a manner that all citizens over 18 have essentially the same opportunity for involvement. Samples are drawn from 51 Alaskan communities.



FILE MULT19 (CREATION DATE = 81/03/10.)

\*\*\*\*\* C R O S S T A B U L A T I O N O F \*\*\*\*\*  
 LOCATION BY LEGTERMS  
 \*\*\*\*\*

LEGTERMS

	COUNT	I	I	I	I	I	ROW	
LOCATION	ROW PCT	IW-R	FAVOR	OPPOSE			TOTAL	
		I	0	I	1	I	2	I
		I	4	I	17	I	13	I
RURAL	1	I	11.8	I	50.0	I	38.2	I
		I		I		I		I
	2	I	8	I	41	I	29	I
CENTRAL		I	10.3	I	52.6	I	37.2	I
		I		I		I		I
	3	I	4	I	38	I	15	I
SCENTRAL		I	7.0	I	66.7	I	26.3	I
		I		I		I		I
	4	I	11	I	137	I	52	I
ANCH		I	5.5	I	68.5	I	26.0	I
		I		I		I		I
	5	I	6	I	51	I	29	I
SOUTHEST		I	7.0	I	59.3	I	33.7	I
		I		I		I		I
COLUMN			33		284		138	455
TOTAL			7.3		62.4		30.3	100.0

*Row # actual # of us.*

*total sample*

FILE MULTI9 (CREATION DATE = 81/03/10.)

\*\*\*\*\* C R O S S T A B U L A T I O N O F \*  
 TIMEINAK BY LEGTERMS  
 \*\*\*\*\*

LEGTERMS

	COUNT	I	IN-R	FAVOR	OPPCSE	ROW	TOTAL
	RCW	PCT					
			I	I	I	I	I
			0	1	2		
TIMEINAK			I	I	I	I	I
	1		12	87	28		127
1-4YRS		9.4	I	68.5	I 22.3	I	27.9
			I	I	I	I	I
	2		3	52	31		86
5-7YRS		3.5	I	60.5	I 36.0	I	18.9
			I	I	I	I	I
	3		6	49	23		78
8-13YRS		7.7	I	62.8	I 29.5	I	17.1
			I	I	I	I	I
	4		1	41	15		57
14-19YRS		1.8	I	71.9	I 26.3	I	12.5
			I	I	I	I	I
	5		11	55	41		107
20+YRS		10.3	I	51.4	I 38.3	I	23.5
			I	I	I	I	I
COLUMN			33	284	138		455
TOTAL			7.3	62.4	39.3		100.0

FILE MULTI9 (CREATION DATE = 81/03/10.)

\*\*\*\*\* CROSS TABULATION OF AGE BY LEGTERMS \*\*\*\*\*

LEGTERMS

AGE	COUNT	IN-R	FAVOR	OPPCSE	ROW TOTAL
	0	0	1	2	
N-R		0	100.0	0	.2
18-24	5	6.4	46	27	78
25-40	13	6.1	62.1	31.8	47.0
41-55	8	7.1	61.6	31.3	24.6
56+	7	14.0	70.0	16.0	11.0
COLUMN TOTAL	33	7.3	62.4	30.3	100.0