

Statement of Congressman Pete Sessions (TX-32)
As Submitted for the Record
Official Meeting of the Commission, Compact for a Balanced Budget
May 25, 2016

Thank you for holding this important meeting addressing the need for a balanced budget amendment to the United States Constitution. I appreciate the opportunity to submit this statement for the record. Our rapidly growing national debt is one of the most pressing issues facing the future of our great country. The United States cannot continue to run huge federal budget deficits. Financing federal overspending through continued borrowing threatens to drown Americans in high taxes, heavy debt and a less prosperous future.

Since 1970, the annual federal budget has been balanced during only one four-year period and the federal deficit has climbed from \$400 billion in 1970 to over \$16 trillion today. During this time period, the federal government ran an annual deficit 90% of the time, even though the economy was expanding 83% of the time.

If we continue on this path, by 2033 all federal tax revenue is estimated to go toward net interest on our debt and mandatory programs. Our national debt-to-GDP ratio rivals that of countries like Ireland, Portugal and Greece, which are facing sovereign debt crises.

By the end of this decade, the federal deficit will climb to-and remain at- no less than 100% of our GDP. According to economists, once the nation's debt exceeds 90% of GDP, it begins to stifle economic growth.

I believe a balanced budget amendment to the United States Constitution is a critical part of the solution to our current fiscal crisis. For the first 140 years of America's history, the federal government operated under an unwritten constitutional rule that budgets should be balanced, except during times of war. Unfortunately, the past 50 years have proven that an unwritten rule alone is no longer sufficient.

Consistent with the commitment made to the American people when Republicans won the House majority, the fiscal year 2017 House Budget Resolution requires consideration of a balanced budget amendment this year and makes much-needed procedural reforms to the outdated 1974 Congressional Budget Act. Republicans have been fighting for years for a balanced budget amendment because it is a critical step toward permanently ending Congress's addiction to deficit spending. Past attempts to impose fiscal discipline on Congress have failed because they are short-term. A constitutional amendment that requires Congress to balance its budget each year, subject only to limited and difficult-to-invoke exceptions is a permanent structural limit that would exist independent of future congressional budget resolutions.

We must amend the Constitution to overcome the systemic bias toward deficit spending and to stop the incentive to pass the costs of government spending off on to future generations. Unfortunately, statutory attempts alone have failed to bring federal spending under control—from Graham-Rudman-Hollings, to the Budget Enforcement Act, to statutory Pay-As-You-Go requirements.

According to President Ronald Reagan, “Only a constitutional amendment will do the job. We’ve tried the carrot, and it failed. With the stick of a Balanced Budget Amendment, we can stop government squandering, overtaxing ways, and save our economy.”

A Balanced Budget Amendment is not a partisan idea and should be supported by all who believe in fiscal prosperity and economic growth. In 1995, then-Senator Joe Biden concluded that “the decision to encumber future generations with financial obligations is one that can rightly be considered among the fundamental choices addressed in the Constitution.”

The 104th Congress came very close to passing a balanced budget amendment—falling just one vote short in the Senate of the required two-thirds majority.

According to a poll conducted by CNN, a “constitutional amendment to require a balanced federal budget” garners more than 70% support among the following groups: men, women, whites, non-whites, every age group, every income level, every educational level, and people from every region of the country. If we want to make permanent cuts to federal spending—cuts that cannot be undone by future Congresses—a constitutional amendment is the only answer.

America’s continued economic prosperity depends on changing our course on federal spending and growing deficits. President Obama has set the wrong kind of new record. The national debt has increased faster under his administration than under any other president in history.

In addition to the structural reforms made in the FY17 House Budget Resolution, and the consideration and passage of a balanced budget amendment, I strongly support passage of legislation that would reassert Congress’ Article I responsibility to set policy priorities in spending measures. I am a proud cosponsor of Congressman Ken Buck’s legislation, H.R. 4371, the “Article I Consolidated Appropriations Amendments, 2016 Act”. H.R. 4371 includes many provisions that have already been vetted by House appropriations committees and included in underlying appropriations bills, as well as those that have passed the House of Representatives on the floor but were not signed into law.

This runaway government spending paralyzes the job market, erodes confidence among America’s employers and has caused the worst economic recovery since the Great Depression. A balanced budget amendment is not an untested idea. Forty-nine states have some form of a balanced budget requirement. If we want to make permanent cuts to federal spending – cuts that cannot be undone by future Congresses – a constitutional amendment must be part of a solution. It is our last line of defense against Congress’s unending desire to overspend and overtax. Only a

constitutional amendment will work to impose long term fiscal restraint and rein in out-of-control federal spending. I thank the Commission for holding this meeting on the Compact for a Balanced Budget and I look forward to working alongside them in the weeks and months ahead.