



CHRIS KAPENGA

STATE REPRESENTATIVE • 99TH ASSEMBLY DISTRICT



Date: January 23, 2013
To: Assembly Committee on Campaigns & Elections
From: Representative Chris Kapenga
Re: **Assembly Joint Resolution 81 – Application for a Balanced Budget Amendment**

Thank you Chairwomen Bernier and committee members for this public hearing on AJR81.

Over the past decade the issue of our national debt has constantly been in the spotlight. Debt levels have skyrocketed to nearly \$17 trillion. This equates to approx. \$146,000 of debt per household. With a median family income of roughly \$53,000 in the U.S., if these families were required to list this debt on their personal financial statement, most would qualify for bankruptcy.

Our debt is being paid for in two ways. First, we are printing more than 75% of the debt, which means money is being created out of thin air and, as many economists are saying, we are putting ourselves at risk of hyper-inflation. Second, foreign countries are purchasing our bonds that may not have our best interest in mind. The old proverb “the borrower is slave to the lender” should no doubt raise concern here.

We are hearing warning signs coming from all directions on the significant consequences coming, yet Washington takes no action. Even President Obama’s National Commission on Fiscal Responsibility and Reform made the following plea to no avail:

“Over the course of our deliberations, the urgency of our mission has become all the more apparent. The contagion of debt that began in Greece and continues to sweep through Europe shows us clearly that no economy will be immune. If the U.S. does not put its house in order, the reckoning will be sure and the devastation severe...”

“After all the talk about debt and deficits, it is long past time for America’s leaders to put up or shut up. The era of debt denial is over, and there can be no turning back...”

“The problem is real, and the solution will be painful. We must stabilize and then reduce the national debt, or we could spend \$1 trillion a year in interest alone by 2020. There is no easy way out of our debt problem, so everything must be on the table. A sensible, realistic plan requires shared sacrifice – and Washington must lead the way and tighten its belt...”

Both Republican and Democrat administrations are responsible for our debt crisis, and for the first time in our nation’s history our children will need to pay for the irresponsible behavior of their parents. Even the most fiscally conservative budgets being proposed at the federal level take over a decade to balance the annual deficit, which means the debt continues to increase over that time.

It is important to highlight that the vast majority of voters support a balanced federal budget. In 2010 Florida put this on a referendum and 72% were in favor. The Florida legislature subsequently passed the resolution on a bipartisan basis. A national public poll in 2011 indicated 74% in favor, and again in 2013 85% in favor. Last month the Ohio legislature passed the resolution with strong bipartisan support, making nearly 20 states who have an active resolution. Michigan, Tennessee and Virginia are also working through the process.

Our founding fathers repeatedly warned against debt because they realized it was a key driver to the decline of every major civilization. This again confirms that the actions at the federal level are putting at risk the life, liberty and pursuit of happiness that Jefferson spoke of in the Declaration of Independence. In light of this problem, it is time for the Wisconsin

State Legislature to once again utilize our federal powers, as authorized under Article V of the U.S. Constitution. We must require the federal government to operate under a balanced budget.

The amendment process, as defined in Article V of the Constitution, reads as follows:

The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as Part of this Constitution, when ratified by the Legislatures of three fourths of the several States or by Conventions in three fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress; Provided that no Amendment which may be made prior to the Year One thousand eight hundred and eight shall in any Manner affect the first and fourth Clauses in the Ninth Section of the first Article; and that no State, without its Consent, shall be deprived of its equal Suffrage in the Senate.

It is important to first understand why the founders worded the Article the way they did, and second look at what controls they put in place to ensure the document remains the will of the people.

The founders included the state amendment option in Article V to ensure a balance of power exists between the federal and state governments. This system of checks and balances, under our federalist system, is what ensures the government derives its “consent”, or approval, from the will of the people instead of the other way around.

History shows that the tendency is for power to slowly centralize to the national government until such time as that government becomes so powerful that the people no longer control it; rather, it controls them. George Mason provided good insight into this during the debate of this Article when he stated, “*It would be improper to require the consent of the national legislature, because they may abuse their power, and refuse their consent on that very account....*” The Article was adopted on a unanimous vote.

Next, they put significant controls in place to ensure that any changes made to the original document remain the will of the people it protects. Please refer to Appendix A for an explanation of these controls.

In addition to the controls the founders put in place, we are putting safeguards in place at the state level with AB635. This bill specifies how our delegates to an Article V convention for proposing amendments would be selected and puts controls in place that ensure integrity and transparency in the actions of those delegates while at the convention.

In summary, Thomas Jefferson highlights in the Declaration of Independence the care with which we should approach changing our Constitution, and at the same time points out the human tendency to accept suffering over change. He states, “*Prudence, indeed, will dictate that Government long established should not be changed for light and transient causes; and accordingly all experience hath shewn, that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed.*”

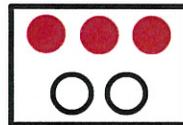
Due to the clear and present danger of the national debt, the direct, real and disastrous consequences of our current course, and the directive from the public, it is our duty as state legislators to act, and to act timely. We cannot pretend, as other civilizations have done throughout history, to be immune from the ubiquitous laws of nature. That would be foolish and liken us to a person who stands in front of a moving freight train with the thought that they can stop it simply because they have the will. An unfortunate reality will, without any doubt, bring that delusion to an unfortunate end.

There is no question that state legislators hold a deep seated reverence for our Constitution; all have taken an oath to uphold it. We must, therefore, in a thoughtful, prudent and measured manner, carry out the rights and responsibilities given us by the founding fathers in Article V of the U.S. Constitution by instituting a balanced budget amendment.

Thank you again Chairwomen Bernier and committee members for this hearing, and at this time I would be happy to answer any questions.

Appendix A - Article V Controls

1. Majority of State Delegation



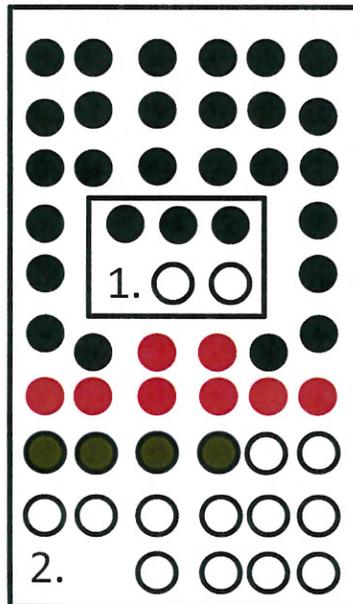
Control

1. Each state must send a delegation to the convention. The historical precedent is one state one vote, therefore a majority of the delegates must agree to any action in order for that state to vote affirmative.

Appendix A - Article V Controls

2. Majority of State Delegations

Controls



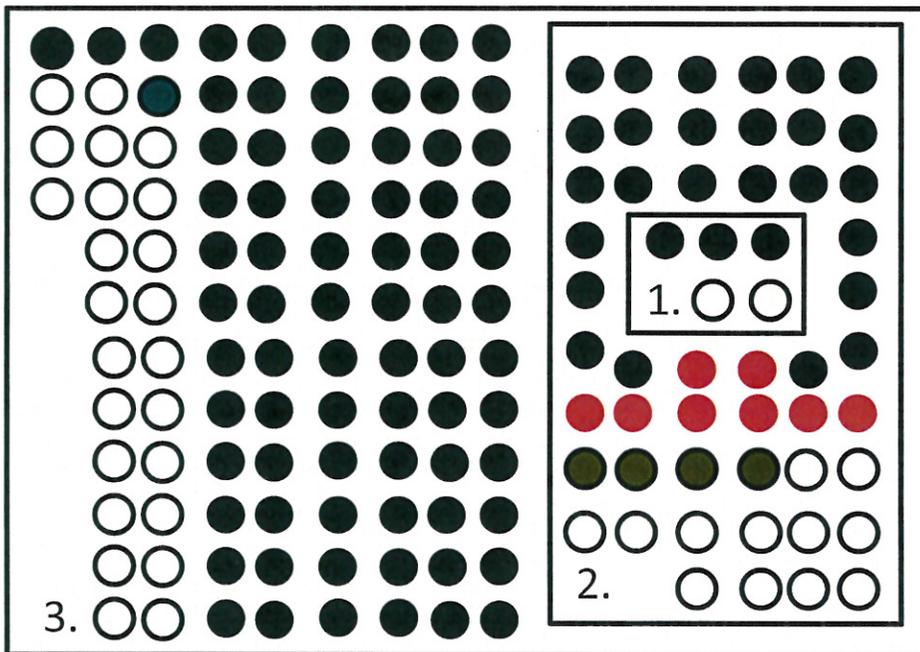
1. Majority of State Delegation
2. At least 26 state delegations must adopt any amendment language in order to pass it to Congress for ratification. This threshold will be set by the Convention rules, but it is likely to be set at even a higher threshold, as the call takes 34 states and ratification requires 38 states.

Appendix A - Article V Controls

3. Seventy-five Percent of States

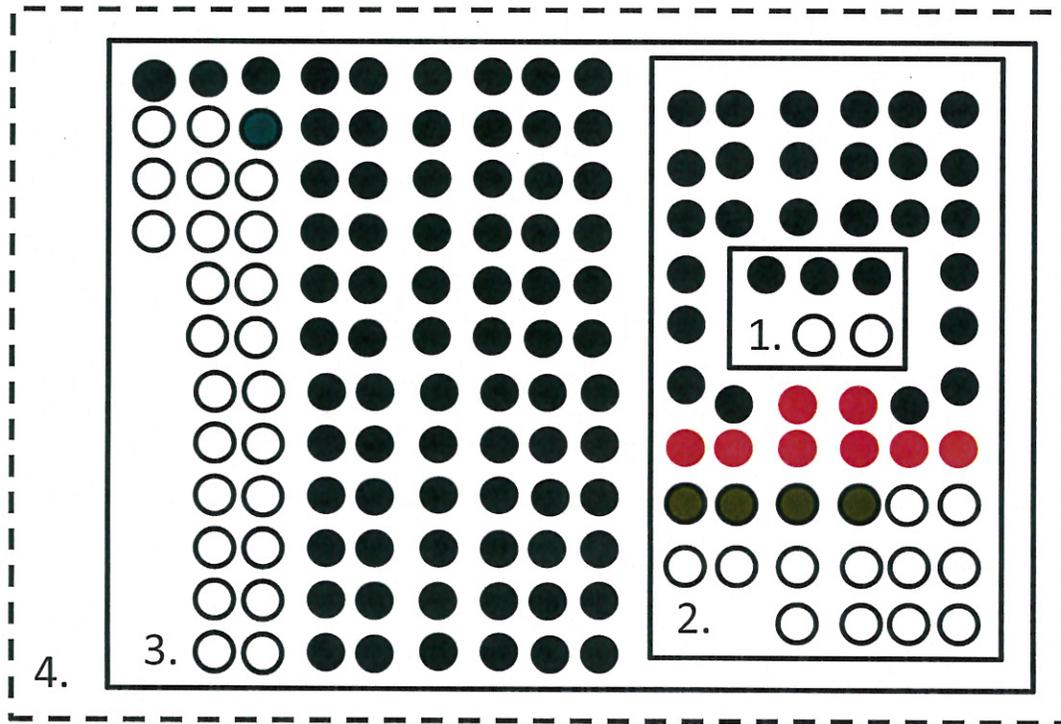
Controls

1. Majority of State Delegation
2. Majority of State Delegations
3. Congress chooses ratification by either 1) state legislatures or 2) state convention. 27 of the 28 amendments have been adopted via the state legislatures, so the model uses that assumption. That requires a minimum of 75 (with Nebraska's unicameral legislature as affirmative) or 76 (without Nebraska) independent legislative bodies to approve any amendment language that was passed through the first two controls.



Appendix A - Article V Controls

4. Indirect – Supreme Court



Controls

1. Majority of State Delegation
2. Majority of State Delegations
3. Seventy-five Percent of States
4. The Constitution also put in place the indirect control of the Supreme Court, which may be used to ensure that the above rules are followed. (Note this control did not exist under the Article of Confederation.)



Wisconsin

**Statement Before the
Assembly Committee on Campaigns and Elections**

By

**Bill G. Smith
State Director
National Federation of Independent Business
Wisconsin Chapter**

Thursday, January 23, 2014

Assembly Joint Resolution 81

Madam Chair, and members of the Committee, I appreciate the opportunity to appear before the Assembly Committee on Campaigns and Elections, and to share NFIB's support for the adoption of Assembly Joint Resolution 81.

The NFIB, for over 70 years, has been the voice of small business, working hard in all 50 states, and in Washington, D.C., to protect and to promote the right of our members to own, operate, and grow their business. We have nearly 12,000 member firms in Wisconsin, and over 350,000 members nationwide.

Historically, the small business community has always strongly supported a balanced federal budget. In fact, we can look back to the 1984 National Small Business Issues Conference and the 1986 White House Conference on Small Business when among the top conference recommendations was passage of a balanced budget amendment to the Constitution.

Yet here we are in 2014 with a national debt that exceeds \$17 trillion with annual deficits in the hundreds of billions of dollars projected far into the future, and China now holds more than \$1.3 trillion of the U.S. Debt.

Current fiscal policies are putting our children's futures at risk, and putting all Americans at the mercy of lenders who don't always act in America's best interest.

The federal debt now equals 73% of the U.S. economic output (Gross Domestic Product), and the Congressional Budget Office expects continued growth in the debt as federal health and social security expenditures climb.

Short term solutions that may avoid government shut downs, but raise the national debt are not sound economic policies, they do not address the national deficit, and they do not provide an environment for confidence and the certainty that is urgently needed for growing our economy and creating opportunity for our citizens.

There are those concerned about the impact a balanced budget requirement might have on our social programs, and on the ability of government to provide a safety net for our most vulnerable citizens. But I remind members of the Committee that any social safety net is ultimately possible only through responsible budgeting that provides the necessary funding to maintain that safety net. The inability to budget properly and responsibly is as much a danger to the long-term viability of these programs as it is to anything else.

It is time for the states and their citizens to use the powers provided by the founding fathers.

Small business owners are frustrated with the failure of the federal government to address basic budgeting principles that every citizen and small business owner must adhere to every day.

Small business owners have long supported a balanced federal budget. A recent NFIB member survey indicates 90 percent of small business owners back a balanced budget amendment to the United States Constitution.

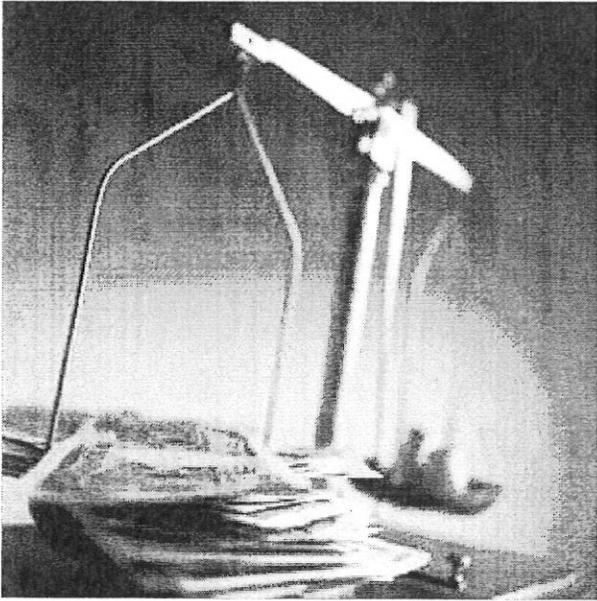
In the past, we have carried the balanced budget message directly to the Congress.

Today we are stepping up our support for a balanced budget, driven by the urgency to act due to the dramatic growth in the federal deficit, the inability of the Congress to find some resolution, the erosion of confidence in and respect for America and its economy, and the threat of economic uncertainty that clouds the future of our lives and the lives of our children, by endorsing Assembly Joint Resolution 81, and asking members of this Committee and the Legislature to support adoption of this important resolution.

Madam Chair, members of the Committee, I respectfully **urge your support for adoption of Assembly Joint Resolution 81.**

States should act to fix federal debt (column)

Jan. 21, 2014 |



Getty Images

Written by **Mike Thomas**

Post-Crescent Community Columnist

Since the government shutdown and debt-ceiling short-term agreements in October, our attention has switched to the problems with Obamacare, the civil war in Syria and, most recently, the political firestorm over Chris Christie and “Bridgetate.” Unfortunately, the national debt has far more serious consequences for the future financial health of our country. The phrase “swatting at mosquitoes when you’re up to your butt in alligators” comes to mind.

Since 2009, our government has borrowed more than \$1 trillion each year, pushing our national debt from \$10 trillion to more than \$17 trillion. We’ll reach unsustainable levels by 2018, when the national debt reaches \$22 trillion, with more than \$1 trillion in interest to be paid that year on only \$3.3 trillion in federal tax revenue.

Citizens are finally realizing the seriousness of the situation and how it’ll affect their children and grandchildren. They expect the president and Congress to put bias aside and address the problem as they would in their households.

But this isn’t going to happen in the current political environment. Our founding fathers realized this and put in place a mechanism in the Constitution to address abuses of power by the federal government when it ignores the will of the people and seriously threatens the future of our nation.

Article 5 in the Constitution basically provides two methods to amend the Constitution. Congress, with two-thirds vote in both houses, can propose amendments, which then must be ratified by three-fourths of the states. The other method would be that at least two-thirds of the states could call a convention to propose amendments that, again, would have to be ratified by three-fourths of the states.

The most recent attempt to amend the Constitution was made shortly after Ronald Reagan took office in 1981. He realized, as we do now, that Congress was out of control on spending and borrowing and proposed the balanced budget amendment to Congress. It didn’t get the required two-thirds vote.

He then solicited the states directly and was able to convince 32 states to call for an amendment convention to pass the balanced budget amendment. The effort fell short by two states.

President Abraham Lincoln endorsed the power of the people to amend the Constitution when he said, "This country, with its institutions, belongs to the people who inhabit it. Whenever they shall grow weary of the existing government, they can exercise their constitutional right of amending it."

We've come to a point in our nation's history that we can no longer trust Congress or the president to address the serious issue of our increasing national debt.

The situation in Washington reminds me of the crew and passengers of the ill-fated Titanic. You have a captain who's on his last voyage and a crew that's ignoring the signs of impending danger, pushed by a wealthy ownership that's only concerned about image and getting to New York in record time.

Most of the passengers — us — believe the ship is unsinkable and impregnable to the forces of nature. However, some of the passengers and some of the crew are beginning to have some doubts about the leadership and safety of the ship.

The signs are there and the consequences are serious if we as citizens don't take action and change our course.

There are 19 states that have passed resolutions requiring an amendment convention and a specific balanced budget amendment. Wisconsin is not one of them. If you feel as I do that we can't keep ignoring this problem, you need to contact your state representatives to urge them to call for an amendment convention.

It's hoped that you aren't one of the passengers who think we're unsinkable. You may find out too late that there are not enough lifeboats.

Dear People,

My opinion is of little use to anyone except to me. However, I am willing to share my opinion.

Since the adoption of our Constitution conservatives and the whole of Congress have been afraid use article five to amend the Constitution, commonly referred to as a Constitution Convention now named as a 5th amendment convention.

Historically there have been many rejections of state called conventions. Congress in the wisdom of past ages feared the liberal minority and refused to make such a call fearing for the Constitutions safety and integrity.

Today, the influence of the liberal element is far stronger, greater and ever more dangerous in this nation than it has ever been.

Today the Government does not obey the Constitution. We have heard on national television a sitting president call the Constitution, "Just a Goddamn piece of paper". Whenever the Constitutionality of anything is mentioned to our elected officials the Constitution is often derided, demeaned and ridiculed. If those who swear or affirm to obey and protect the Constitution and do not; why in heavens name do you think that a small change in one article would work such a miraculous change of attitude or obedience? Perhaps the change is not for my benefit, but for some other entity? The most important thing about the Constitution is the principles it sets forth. It is the second greatest document ever held by the hand of man.

Nations that have had freedom such as we have known, from Adam and Eve until the present can be counted on the fingers of one hand. Patrick Henry said, "Guard with precious attention the Public Liberty. Suspect every one who approaches that Jewel".

Mark Levin's statements show he doesn't know or value the difference between a Republic and a Democracy or the difference between unalienable and inalienable. The founding fathers of this country were vehemently opposed to a democracy. Mark Levin recommends a Democracy that he hopes will lead to a one world government.

What was the motive to write such a book? Was it with the expectation of simple profit? Or was something far more sinister on his mind? Why did this appear at this particular point in history? Isn't it a little incongruous to ask for a con con and want to change us from a Republic into a democracy leading to a "one world government"? Is that a clue to what you might expect from this con con? Did someone ask him to write the book or did someone tell him to write it? Does not this con con discussion distract our attention from Common Core being sneaked into our Nations Schools? Who is providing the money for such a huge dust up over more than two hundred years of numerous congressional rejections? These are only a few of the questions that need to be answered. Something is very, very wrong with this proposal.

Paul Lembrich