

A Case for Structural Reform of the Government: Did President Reagan Succeed in “Forming a Government” to Manage the National Economy?

Tetsuya Inoue

I Introduction

Throughout his tenure of office, especially in its latter half, President Jimmy Carter was confronted with enormous difficulties both in domestic and foreign affairs. Time and again his plans — for example, energy policy, tax reform, counter-inflation measures, welfare reform, the ratification of SALT II Treaty — were rejected or drastically modified by Congress, where his fellow Democrats kept control of both the House of Representatives and the Senate.¹

Above all, his record in the national economic management was poor. At the end of his Administration, the U.S. economy came to the most dangerous crisis since the Great Depression.² The severe recession became one of the main factors which brought about his crushing defeat in the 1980 presidential election.³

At the end of the Carter era, the U.S. government was at a grave deadlock, failing to cope effectively with the severe economic situation. As a result, the difficulty facing the modern American presidency was given more attention than ever.⁴ Some commentators did not automatically attribute the impasse of government to a president's ability and personality⁵ but sought to analyze it from a systematic or structural viewpoint.⁶ They argued that the ineffectiveness of the presidency resulted from defects in the system itself; to these observers, the office seemed impossible whoever held it.⁷

Others, however, still insisted that the fault could not be attributed to the existing system but to the men who had held the office.⁸

Ronald Reagan took office in such a pressing situation. Additionally, the House of Representatives was under the control of the opposition Democrats. Nevertheless, he achieved brilliant success, at least in domestic policy during the first year in his office.⁹ He won a landslide victory in the 1984 presidential election and became the first president to be reelected after Dwight Eisenhower in 1956. As he embarked on his second term, it was even said that he might eventually be ranked among the great or near-great U.S. Presidents.¹⁰

In the face of President Reagan's astonishing achievement, the insistence on the need for a fundamental reform of the political institutions declined.¹¹

Taking these facts into account, the analysis of Ronald Reagan's performance as President from the point of view of the arguments for a structural reform of the government is useful in examining the effectiveness of the modern American presidency.

Did the achievements of the Reagan Administration disprove those arguments?

In this note, first, I would like to examine the best known argument for a fundamental reform of the U.S. government, which appeared toward the end of the Carter Administration (Chapter II). Secondly, I would like to give a brief account of President Reagan's performance, focusing on his management of national

economy — mainly the spending cut and tax cut in 1981, and the tax reform in 1986, and reexamine the argument in light of that performance (Chapter III). In addition, I will briefly mention the two major events concerning the stalemate of federal economic management since the Reagan Presidency (Chapter IV).

II An Argument for a Structural Reform of the U.S. Government: Why Structural Reform?

The “best remembered and most astute” argument in favor of a structural reform of the U.S. government, among those published in the last stage of the Carter Administration, was Lloyd N. Cutler’s article:¹² “To Form a Government”.¹³ The following are the main points of Cutler’s argument.

(1) Cutler points out that the defect of the U.S. government most in need of a remedy is its “structural inability to propose, legislate and administer a balanced program for governing.” In other words, under the Constitution, it is not possible to “form a Government,”¹⁴ where “the elected majority is able to carry out an overall program and is held accountable for its success or failure.”¹⁵ The separation of powers has virtually become a structure of stalemate.¹⁶

In the existing governmental system, it is very difficult to achieve even a simple majority of both Houses, which is necessary for the enactment of legislation to carry out any President’s overall program. “Any part of the President’s legislative program may be defeated, or amended into an entirely different measure.”¹⁷

Even when the conflict between the President and the Congress concerning the President’s overall program reaches an impasse, the Constitution does not require or even permit the

holding of a new election, in which the opponents can seek to gain a majority in the Congress. As a matter of fact, the composition of opponents of the President’s overall program usually differs from one element to another. It is unlikely that a majority of either House will get together in order to devise and carry out any overall program of its own. As a result of the virtual impossibility of forming a government, there can be no overall program at all. The electorate cannot “fairly hold the President accountable for the success or failure of his overall program, because he lacks the constitutional power to put that program into effect.”¹⁸

Even when a President’s party holds a majority of seats in both Houses, he cannot easily rely on his party supporting his program. “No member of that majority has the constitutional duty or the practical political need to vote for each element of the President’s program. Neither the President nor the leaders of the legislative majority have the means to punish him if he does not.”¹⁹

(2) There are several reasons why it is far more important today than ever for the U.S. government to have capability to formulate and carry out an overall program.²⁰

⟨ i ⟩ The best balance of conflicting goals

Today, unlike in the past, “[a] responsible government must be able to adapt its programs to achieve the best balance among its conflicting goals” — for example, auto safety, clean air, closing the energy gap, wage and price stability — “as each new development arises.”²¹

⟨ ii ⟩ Demands in the interconnected world

The United States, which is “an integral part of a closely interconnected world economic and political system,” has to respond as quickly and decisively to what happens abroad as to what happens at home. The government has to be able to adapt its overall program to deal with the events and crises which occur abroad,

and it has to be able to execute the adapted program with reasonable dispatch. Many of these adaptations, however, require joint action by the President and the Congress. The doubt that the Congress, which tends to impose statutory conditions or prohibitions on the President's policy discretion, will approve a presidential foreign policy initiative has seriously compromised the ability of government to make binding agreements with other nations.²²

⟨iii⟩ The democratic reforms of Congress

Congress itself and its relationship to the Executive have changed. As a result of the democratic reforms, the seniority system disappeared in the Congress. "[T]here are no longer a few leaders with power who can collaborate with the President." "Power is further diffused by the growth of legislative staffs,²³ sometimes making it difficult for the members even to collaborate with each other."²⁴

⟨iv⟩ The decline of party discipline

The party discipline and the political party itself have declined.

The party leaders or bosses can no longer select presidential candidates. Today the party is "no more than a neutral open forum that holds the primary or caucus in which candidates for President and for Congress may compete for favor and be elected."

The party does not dispense most of the campaign funds, but the candidates raise them. "To the extent that money influences legislative votes, it comes not from a party with a balanced program, but from a variety of single-interest groups."²⁵

(3) Examining the infrequent exceptions where the U.S. governmental structure worked successfully confirms the general rule of stalemate.

In the 20th century, Cutler says, the governmental system has succeeded "only on the

rare occasions when there is an unusual event that brings us together, and creates substantial consensus throughout the country on the need for a whole new program"—for example, the Great Depression, World War II, John Kennedy's assassination, the revolution in Iran, the Soviet invasion of Afghanistan. "When the great crisis and the resulting large consensus are not there . . . it has not been possible for any modern President to 'form a Government' that could legislate and carry out his overall program."²⁶

However, "modern government has to respond promptly to a wide range of new challenges," which are not limited to great crises inducing a large consensus. Modern government has to work "in every presidency." It has to work "for the President's full time in office".²⁷

When the President achieves only a part of his overall program, the achievement is not necessarily better than none, because it may lack "the essential quality of balance." Even if the President cannot achieve his overall program against the expectation of the public, they can neither fairly blame the President nor the individual members of Congress. He does not have "the power to legislate and execute his program." "[T]he Constitution allows them to disclaim any responsibility for forming a Government and hence any accountability for its failures."²⁸

In the end, the myth persists that "the existing system can be made to work satisfactorily if only the President will take the trouble to consult with the Congress." The examples of successful relationships between the two branches, however, were in an era of strong congressional leadership, and of unusual national consensus. Even in the cases lacking those exceptional elements, every President and the majority in every Congress have tried to

work together. Nevertheless, "the structural problems usually prove too difficult to overcome. In each Administration, it becomes progressively more difficult to make the present system work effectively on the range of issues, both domestic and foreign".²⁹

For these reasons, Cutler insists on the need of the structural reform of the U.S. government.³⁰

We should note that he does not blindly focus his attention only on the merits of parliamentary government and the faults of the U.S. governmental system. He recognizes the weaknesses of parliamentary government, citing its lack of "the ability of a separate and vigilant legislature to investigate and curb the abuse of power by an arbitrary or corrupt executive," and the virtues of separation-of-powers system, citing the larger possibility that voters are represented in positions of power and "a sort of a permanent centrism" - no extreme legislation and fewer wild swings in statutory policy.³¹

Nevertheless, he still urges its reform. His point is that these virtues of separation are accompanied with their costs, which have been mounting in the last half-century, and that "it is time to examine whether we can reduce the costs of separation without losing its virtues."³²

The U.S. government had not been able satisfactorily to cope with a succession of crises since 1960s³³ mainly because of the conflict between the President and the Congress, even when a single party held the presidency and the control of both Houses of Congress at the same time.³⁴ Looking squarely at the reality, whether the United States would eventually undertake a fundamental reform of the political system, shouldn't the politicians have begun to reexamine thoroughly the governmental system from a structural viewpoint?

Indeed cries for a reform of the political system got louder than ever at this point.³⁵ However, the vigor faded from the arguments for structural reform, after Ronald Reagan assumed the office of the 40th President of the United States of America.³⁶

III The Economic Management under the Reagan Administration

In the face of President Reagan's unexpectedly successful performance in domestic affairs, particularly during his first year in office,³⁷ the arguments insisting on the need for a fundamental reform of the U.S. political system went into a stall.³⁸

In this chapter, first, to test whether President Reagan's success in his first year in office undermines Cutler's argument for the structural reform, I will attempt to analyze two of his remarkable achievements: the Spending Cut and Tax Cut in 1981. Then, additionally, to clarify how his later performance should be characterized from the viewpoint of Cutler's argument, I will examine one of the achievements in his second term: the Tax Reform Act of 1986.

1. The Spending Cut and Tax Cut in 1981

(1) Spending Cut

In 1980, the Republican candidate, Ronald Reagan, was elected the 40th President of the United States. The principal promises which he made during the campaign were the reduction of the size and role of government, the revitalization of economy and the reinforcement of national defenses.³⁹ Actually they were particularly emphasized in his inaugural address delivered on January 20, 1981.⁴⁰

On February 18, 1981, in the State of the Union Address, President Reagan announced his first series of budget cuts, asking Congress

to slash \$41.4 billion from the fiscal year 1982 spending request submitted by the former President Jimmy Carter.⁴¹ On March 10, he sent Congress his completed \$48.6 billion budget-cuts package.⁴²

On March 23, the Senate Budget Committee reported reconciliation instructions⁴³ requiring the fourteen Senate authorizing and appropriations committees to alter programs so as to cut \$36.4 billion from the fiscal year 1982 spending.⁴⁴ On April 2, the Senate as a whole passed the bill ordering committees to cut \$36.9 billion from the budget,⁴⁵ by a vote of 88 (Republicans 51, Northern Democrats 22, Southern Democrats 15) - 10 (Republican 1, Northern Democrats 9, Southern Democrat 0).⁴⁶ On May 12, the Senate approved a budget resolution incorporating its reconciliation instructions,⁴⁷ containing "nearly one hundred percent of the administration's entire economic program,"⁴⁸ by a vote of 78 (Republicans 50, Northern Democrats 14, Southern Democrats 14) - 20 (Republicans 2, Northern Democrats 17, Southern Democrat 1).⁴⁹

In the Democratic-controlled House of Representatives, the situation appeared more unpromising for the Reagan Administration. Nevertheless, they eventually won their way. On April 16, the House Budget Committee reported the budget resolution which included reconciliation instructions calling upon the authorizing committees to make only \$15.8 billion in authorization cuts and asking for \$23.6 billion in cuts for programs funded by appropriations, which could be changed in future years.⁵⁰ However, on May 7, the House turned down the plan and instead adopted the Administration-backed budget-cutting plan ("Gramm - Latta"), sponsored by Congressmen Phil Gramm (Democrat, Texas) and Delbert L. Latta (Republican, Ohio), which called on the authorizing committees for \$36.6 billion spending

cuts in the fiscal year 1982,⁵¹ by a vote of 253 (Republicans 190, Northern Democrats 17, Southern Democrats 46) - 176 (Republican 0, Northern Democrats 144, Southern Democrats 32).⁵² Then the House gave final approval to the resolution,⁵³ by a vote of 270 (Republicans 186, Northern Democrats 23, Southern Democrats 61) - 154 (Republican 1, Northern Democrats 136, Southern Democrats 17).⁵⁴

On May 14, the House and Senate conferees on the budget resolution agreed on the fiscal year 1982 spending goals. It contained reconciliation instructions requiring the House and Senate committees to cut approximately \$36 billion in existing programs.⁵⁵

The Senate Budget Committee, on June 17, reported the reconciliation package which would provide \$39.6 billion in savings.⁵⁶ On June 25, the Senate approved the package with some minor revisions, by a vote of 80 (Republicans 52, Northern Democrats 13, Southern Democrats, 15) - 15 (Republican 0, Northern Democrats 15, Southern Democrat 0).⁵⁷ It would provide \$38.1 billion in the fiscal year 1982 savings.⁵⁸

In the House, apparently encouraged by the victory of "Gramm-Latta", Republicans went still further. On June 19, The House Budget Committee reported the reconciliation measure which called for cuts totaling \$37.76 billion in the fiscal year 1982 spending.⁵⁹ On June 26, however, the House overturned the work of its authorizing and Budget committees⁶⁰ and instead adopted the Administration-backed package of \$37.3 billion spending cuts in the fiscal year 1982 budget, known as "Gramm-Latta II" for the sponsors,⁶¹ by a vote of 217 (Republicans 188, Northern Democrats 3, Southern Democrats 26) - 211 (Republicans 2, Northern Democrats 157, Southern Democrats 54).⁶²

On July 15, more than 250 members of

Congress meeting at the conference, which was split up into 58 subgroups in order to consider various sections of the legislation, began negotiations to work out the differences between the Senate and House bills.⁶³ The conferees reached a final agreement on details of "the deepest and most widespread package of budget cuts in the history of Congress,"⁶⁴ and filed their report to each chamber on July 29.⁶⁵

In the end, on July 31, the House approved the conference report on the reconciliation bill by voice vote. A few hours later, the Senate passed it,⁶⁶ by a vote of 80 (Republicans 49, Northern Democrats 17, Southern Democrats 14) - 14 (Republican 1, Northern Democrats 13, Southern Democrat 0).⁶⁷ The adopted package was expected to reduce spending by nearly \$35.2 billion in the fiscal year 1982 and to make reductions totaling \$130.6 billion in the fiscal years 1982-84.⁶⁸

On August 13, President Reagan signed the bill.⁶⁹

(2) Tax Cut

On February 18, 1981, in his address before a joint session of Congress, President Reagan also called for individual and business tax cuts. First, he proposed a 10 percent across-the-board cut every year for three years in the tax rates for all individual income, including unearned income, beginning with 10 percent personal tax rate reduction on July 1, 1981.⁷⁰ The amount of the proposed individual tax cuts was estimated at \$44.2 billion in the fiscal year 1982, rising to \$162.4 billion in the fiscal year 1986.⁷¹ Secondly, in order to provide business and industry with the capital needed for modernization and for more research and development, he proposed shortening the write-off time in the depreciation system: five year write-off for machinery, three years for vehicles and trucks, and 10 years for plant,

whose effect would be retroactive to January 1, 1981.⁷² The proposed faster and simpler depreciation schedule would be to provide \$9.7 billion new investment in the fiscal year 1982, rising to \$44.2 billion in the fiscal year 1985.⁷³

Later he was compelled to make a wide range of concessions to ensure the enactment of his plan. However, he stood firm on the central theme, and eventually none of the many changes and add-ons to the bill did damage to the heart of the Reagan supply-side policy — across-the-board reductions in individual income taxes and faster write-offs for capital investment to spur productivity and economic growth.⁷⁴

On June 25, the Senate Finance Committee adopted a tax-cut package almost identical to the one requested by President Reagan.⁷⁵ On July 29, the Senate approved the bill amended on the floor,⁷⁶ by a vote of 89 (Republicans 52, Northern Democrats 24, Southern Democrats 13) - 11 (Republican 1, Northern Democrats 8, Southern Democrats 2).⁷⁷

In the meantime, setting the Administration's proposal aside, the House Ways and Means Committee adopted the alternative package, calling for a two-year, 15 percent cut in individual income taxes skewed to help those earning below \$50,000 a year and for cut in corporate income tax rates and substitution of expensing for the current system of business depreciation, on July 23.⁷⁸ However, on July 29, in spite of the warning of Chairman of the Ways and Means Committee, Dan Rostenkowski (Democrat, Illinois),⁷⁹ the Democratic-controlled House approved the Administration-backed package in place of the Committee bill,⁸⁰ by a vote of 238 (Republicans 190, Northern Democrats 12, Southern Democrats 36) - 195 (Republican 1, Northern Democrats 151, Southern Democrats 43).⁸¹

Through an all-night session on July 31,

the conference reached an agreement.⁸² On August 3, the Senate gave its approval to the conference report,⁸³ by a vote of 67 (Republicans 41, Northern Democrats 17, Southern Democrats 9) - 8 (Republican 1, Northern Democrats 6, Southern Democrat 1).⁸⁴ The next day, Congress completed action on legislation providing a \$37.7 billion tax cut in the fiscal year 1982, with the House's adoption of the final package,⁸⁵ by a vote of 282 (Republicans 169, Northern Democrats 49, Southern Democrats 64) - 95 (Republican 1, Northern Democrats 91, Southern Democrats 3).⁸⁶

On August 13, President Reagan signed the bill, which reduced all individual income tax rates by five percent on October 1, 1981, 10 percent on July 1, 1982 and additional 10 percent on July 1, 1983, and replaced the complex system for depreciating assets with a simplified approach applicable retroactively from January 1, 1981.⁸⁷

(3) Analysis

In the 1980 election, the Republican Party gained 12 seats in the Senate and took control of the chamber for the first time in 25 years.⁸⁸ The emergence of the Republican-controlled Senate certainly brought Ronald Reagan an advantage in carrying out his economic programs. However, the margin of seats, 53 to 47, was not large enough for Republicans to be in complete control of the upper house.⁸⁹ In addition, because party discipline in the American political system is rather weak,⁹⁰ a President cannot entirely rely on support from the fellow members of Congress. Taking these facts into account, the situation of the Senate at the time he started his first term cannot be regarded as especially favorable to him.

Meanwhile, in the House of Representatives, the Republicans made remarkable progress, gaining 33 seats and additionally defeat-

ing four incumbent Democratic committee chairmen in the 1980 election,⁹¹ but the Democrats were still ahead by 51 seats.⁹² Thus the situation of the House was not promising for Ronald Reagan. Besides, as in the Senate, even the Republicans were not absolutely reliable because of weak party discipline.⁹³

Nevertheless, President Reagan succeeded in winning approval of his economic programs from Congress. How can his early success in economic management be accounted for?

< i > Democrats' defeatism

The 1980 election's results - Reagan's landslide victory, defeating the incumbent President Jimmy Carter by 51 percent to 41 percent margin in the popular vote and by 489 to 49 in the Electoral College,⁹⁴ coupled with the Republicans' acquisition of the control of the Senate and remarkable increase in the seats of the House - apparently had such an intense impact on the Senators and Congressmen as to scare them into supporting President Reagan's economic program and to make the Democratic leadership capitulate.⁹⁵ Actually, on the crucial votes concerning President Reagan's economic program, a large number of Democrats — not only Southern Democrats, who are regarded as conservative in general,⁹⁶ but even many Northern Democrats — defected to the Reagan camp, while the Republicans virtually maintained unity in support of the Reagan plans.

< ii > The high quality of the White House staff

President Reagan surrounded himself by the staff of high quality, who assumed the special responsibility for dealing with the legislature.⁹⁷

He put together the staff, whose members had an impressive grasp of the complexities of budgetary process (Director of Office of Management and Budget, David Stockman), under-

stood the essential role of compromise in executive-legislative relations (White House Chief of Staff, James Baker), or had ripe experience in the field of congressional liaison (Chief Legislative Liaison, Max Friedersdorf).⁹⁸

They had "a clear sense of direction and a well-defined order of priorities."⁹⁹ They learned an important lesson from the failure of former President Jimmy Carter. One of the main reasons for his failure was that he had undertaken too many enterprises without a clear sense of priorities at the beginning of his term. The Reagan Administration established control of the legislative agenda first. They thought that there was to be only one issue on the agenda at a time and determined to neglect other issues, while the economic program took precedence.¹⁰⁰ Consequently, they could take the greatest advantage of the so-called "honeymoon" period.

The Reagan team understood the behavior pattern of the members of the modern congress. "Emphasis on constituency service" provided new opportunities for influencing them. The Reaganites skillfully and successfully took advantage of this tendency so as to build a coalition needed for the passing of Reagan's program. Unlike the Carter people, they were not hesitant to engage in trading with the members of Congress for support on crucial votes. They also adopted the strategy to work on the constituents and contributors, especially in the districts of the swing voters in Congress, not only through President Reagan's TV addresses but also various types of campaign such as direct mail, radio and television advertising, phone banks, sending out the top speakers of Reagan camp, in order to put pressure upon the targets.¹⁰¹

〈iii〉 Reagan's personal qualities

Not only his ability to put together good

staff, but also President Reagan's other personal qualities highly contributed to his triumph.¹⁰²

His great power of persuasion, demonstrated by the telephone conversation or face-to-face meetings with the members of Congress,¹⁰³ led to his good relationship with both Republican and Democratic legislators and to their support of his program.¹⁰⁴ His highly skillful performance on television created the impression of overwhelming popular support for his plans, which, together with the result of 1980 elections, caused Democrats' defeatism.¹⁰⁵

For these reasons, in the first year of office, President Reagan succeeded in transforming the first priority of his political programs, his economic plan, into legislation. But does his success make Cutler's arguments for a structural reform of government lose ground?

The answer is no.

First, Cutler points out that in this century the governmental system has worked well only when there is a great crisis that creates a large consensus among people throughout the country on the need for a whole new program.¹⁰⁶ President Reagan's early success in economic management can be regarded as one of those exceptional cases. By the end of the Carter Administration the national economy had fallen into such a severe recession as to be called the most dangerous economic crisis since the Great Depression.¹⁰⁷ In 1980, according to the Gallup opinion poll, 61 percent named inflation and 16 percent named unemployment as the country's most serious problem. As a natural result, in the 1980 presidential election campaign, economic issues, especially inflation, became the dominant concern of voters, though prior to 1976 foreign policy issues ranked first in the Gallup polls about the most important problems during every presidential

campaign.¹⁰⁸ Thus there was a common sense of grave economic crisis and a substantial consensus, at least, on the necessity of a new program to reconstruct the depressed national economy among American people when Reagan entered the White House. It is no wonder that the situation led to great hope for a new President.¹⁰⁹

Under the circumstances, he adroitly appealed to the public and succeeded in putting the Senators and Congressmen under great pressure to support his economic program, relying on public opinion. However, as it turned out that the recovery of the economy was still not going satisfactorily after he had assumed the presidency,¹¹⁰ he began to face many difficulties to carry out his program.¹¹¹

Secondly, indeed he brilliantly achieved the passage of the spending-cut and tax-cut bills, but it did not mean the achievement of his overall economic program. They are certainly crucial pillars of the program, but they are not all of it. In spite of the early success, President Reagan could never duplicate the domestic policy victory of 1981 in the remaining three years of his first term.¹¹² As early as the next year, 1982, his proposed budget was substantially rewritten by the legislators, and, moreover, he was compelled to accept a large tax increase only a year after passing his tax-cut plan. In September 1982, for the first time, Congress overrode President Reagan's veto of an appropriations bill, a measure which he had labeled a "budget-buster." Congress also refused to cooperate with him in most of his ambitious efforts at reducing the scope of the federal government.¹¹³ To sum up, he could get, at most, only "half a loaf" of his overall program.¹¹⁴

In addition, according to Congressional Quarterly's presidential support study, his first four years' average success rate, the percen-

tages of presidential victories on congressional votes where the presidents took a clear-cut position, 71.9 percent, is not high, compared with that of other modern presidents: Eisenhower 79.2 percent, Kennedy 84.5 percent (three years), Johnson 84.8 percent, Nixon 73.0 percent, Ford 57.7 percent (three years), Carter 76.4 percent.¹¹⁵

Consequently, President Reagan's early success does never make Cutler's arguments groundless. On the contrary, it shows a stern reality that even at a time of great crisis a President cannot carry out his plans to counter with it, without an extraordinarily shrewd and well-organized strategy.

Later in 1986, the tax reform, another major change in the U.S. economy was accomplished, but President Reagan had to bear much more severe hardships until Congress passed his proposed plan.

2. The Tax Reform Act of 1986

On May 28, 1985, from the Oval Office, President Reagan delivered a nationally televised address on his proposal to reform the federal tax system, which would reduce the number of individual tax rate brackets from fourteen to three, lower the top rate of tax for individuals from 50 percent to 35 percent (15, 25 and 35 percent) and that for corporations from 46 to 33 percent, and limit numerous special tax breaks and raise the same amount of revenue as the current tax system ("revenue neutral").¹¹⁶

According to the provision of Constitution,¹¹⁷ the deliberation of the bill began in the House of Representatives immediately after President Reagan released his tax reform plan.¹¹⁸ On December 3, the Ways and Means Committee adopted the bill which modified the number of brackets of individual tax rates into

four and its top rate into 38 percent (15, 25, 35 and 38 percent), cut down the top rate of business tax into 36 percent, and restored the deduction for state and local tax payments which the President had proposed to eliminate. The committee bill was designed to shift the burden of paying about \$141 billion in taxes from individuals to corporations over the next five years, reinforcing many of the provisions which applied to business.¹¹⁹ The next day, President Reagan released a statement and strongly asked a "positive vote in the House of Representatives" to keep the tax-rewrite effort alive, but he failed to give his outright support for either the committee bill or a Republican alternative which would shift about \$105 billion in taxes from individuals to corporations over the next five years.¹²⁰

Then the situation took an unexpected turn. President Reagan fell into an awful predicament owing to his fellow Republicans' defections. On December 11, the House rejected the rule allowing the measure to come to the floor,¹²¹ by a vote of 202 (Republicans 14, Northern Democrats 135, Southern Democrats 53) - 223 (Republicans 164, Northern Democrats 33, Southern Democrats 26).¹²² It was a severe blow to him, who had said that revising federal income taxes to make them fairer and simpler was the first priority in domestic policy of his second term.¹²³

However, after the intense lobbying by the White House,¹²⁴ on December 17, the House reversed its previous vote and adopted a slightly modified rule,¹²⁵ by a vote of 258 (Republicans 70, Northern Democrats 138, Southern Democrats 50) - 168 (Republicans 110, Northern Democrats 28, Southern Democrats 30).¹²⁶ On the same day, the House approved the Ways and Means committee's bill by voice vote.¹²⁷

In the Republican-controlled Senate, Reagan's tax reform received a still harsher

welcome. After the passage of tax reform bill in the House, Senate Finance Committee Chairman Bob Packwood optimistically predicted that the next year his committee and the Senate would pass a bill not unlike the one approved by the House.¹²⁸ However, various special business interests induced the Senators to add one provision after another to protect them, with the result that the Chairman could not restrain his colleagues from trying to retain special tax advantages¹²⁹ and that the bill lost its flavor of reform and its appeal. He seemed to lose control of the bill in his committee. By the middle of the next April, the White House judged the tax reform bill dead in the committee because special interests had overwhelmed Chairman Packwood.¹³⁰

On April 18, 1986, Packwood devised the "strategy that brought tax reform back from the brink of extinction."¹³¹ He decided to offer a radical bill with a top individual rate of 25 percent and virtually no deductions.¹³² On May 7, the Finance Committee unanimously approved a bill which would compress individual tax brackets into two with rates of 15 and 27 percent, and reduce the corporate tax rate to 33 percent. The bill, which was designed to keep the revenue neutral principle, would cut individual income taxes (and a few minor taxes) by an estimated \$105 billion to \$110 billion and hike the total tax load on corporations by the same amount.¹³³

On June 24, the Senate adopted a bill largely unchanged from that reported by the Finance Committee,¹³⁴ by a vote of 97 (Republicans 53, Northern Democrats 30, Southern Democrats 14) - 3 (Republican 0, Northern Democrats 3, Southern Democrat 0).¹³⁵

The meetings of conferees, beginning on July 17, bogged down over the individual rates and the tax hit on corporations. Greatly owing to the cooperation of House Ways and Means

Committee Chairman Rostenkowski and Senate Finance Committee Chairman Packwood, however, at last the conference led to the agreement calling for the top individual tax rate of 28 percent and the top corporate tax rate of 34 percent, which strongly resembled the Senate bill, on August 16.¹³⁶

On September 25, the House approved the conference agreement,¹³⁷ by a vote of 292 (Republicans 116, Northern Democrats 132, Southern Democrats 44) - 136 (Republicans 62, Northern Democrats 36, Southern Democrats 38).¹³⁸ On September 27, the Senate adopted the conference report,¹³⁹ by a vote of 74 (Republicans 41, Northern Democrats 25, Southern Democrats 8) - 23 (Republicans 11, Northern Democrats 7, Southern Democrats 5).¹⁴⁰

Finally, on October 22, 1986, President Reagan signed the tax bill into law.¹⁴¹

(2) Analysis

In the end, the tax reform, President Reagan's domestic centerpiece of his second term, was accomplished. In the process of legislation, however, the bill was driven on the verge of miscarriage at least twice. Why was President Reagan confronted with such hardships as he had never experienced in 1981? Why, in spite of those difficulties, could the tax reform survive? Can the Tax Reform Act of 1986 be regarded as Reagan's success?

First of all, why did President Reagan have a hard time of it in 1985 and 1986?

< i > The disconnection between Reagan's personal popularity and the Republicans' forces in Congress

In the 1982 election, the Republicans lost 26 seats in the House. They had expected their fellow popular President to help them win back the lost seats plus a few more in the next election.¹⁴² In the 1984 elections, while Ronald

Reagan was re-elected, winning a landslide victory both in the popular vote (59 percent) and in the Electoral College (525 out of 538),¹⁴³ the House Republicans gained only 14 seats.¹⁴⁴ Some congressional Republicans blamed Reagan and his staff for their party's failure to make larger congressional gains.¹⁴⁵

On the side of Democrats, in 1984, though they lost a handful seats in the House, 192 House Democrats won reelection in the congressional districts that Reagan carried in the presidential election. In other words, they tided over his influence with the voters. As a result, the threat of "a Reagan lobbying blitz" was less intimidating to them than four years earlier.¹⁴⁶

These incidents brought about a decline in his clout with other politicians.¹⁴⁷

< ii > No popular mandate

Unlike in the 1980 campaign, in 1984, the Reagan team took a defensive attitude. They did not positively lay clear-cut program of policy proposals before the electorate, but chose a strategy to underline President Reagan's first term achievements in the economic management.¹⁴⁸

At this point, Reagan's support for the tax reform was lukewarm. His advisers judged it lacking in appeal for the electorate and deliberately avoided putting his commitment to it at the front. Consequently, President Reagan could not take advantage of a popular mandate in order to get support for his tax reform plan from the Senators and Congressmen.¹⁴⁹

< iii > Waste of "honeymoon" period

At the beginning of his second term, President Reagan did not quickly set his priorities.¹⁵⁰ It was long after the 1984 elections that he reshuffled his top White House staff.¹⁵¹ The belated shake-up of staff threw the efforts to formulate Reagan's agenda into turmoil and delay, with the result that he lost "his best chance to pressure Congress on the tide of

popular goodwill.”¹⁵²

〈iv〉 The difference on priorities between Reagan and Congress

The tax cuts in 1981 and the explosion of military spending created a \$212 billion deficit in 1985, but there was no popular solution. As a consequence, a large number of legislators became disillusioned with Reagan’s budget formulas by his second term. The Senate Republican leaders as well as the House Democratic leaders got to disagree with the President on various issues.¹⁵³

〈v〉 The weakening of the White House connection with congressional leaders

The new Senate Republican leader Bob Dole was far more independent-minded and outspoken than his predecessor. He clearly took the position that his priority was leading the Senate, not carrying the President’s flag. On the part of the President, he did not warm to Dole nor seek to form a personal tie with him.¹⁵⁴

Moreover, an important personnel change was made in the senior White House staff in Reagan’s second term. The first-term White House Chief of Staff James Baker, became Secretary of Treasury and the first-term Secretary of Treasury Donald Regan, took his place. Regan, who had made a career of financial business, introduced corporate management methods into the White House, building a simplified hierarchical structure with the Chief of Staff at the apex supported by disciplined underlings. He ensured that no significant decisions were made without his participation. His dominance in the White House led to the allegation that he encouraged the President to delegate excessively as a way of maximizing his own power. Thus he was coolly regarded on Capitol Hill.¹⁵⁵

Because of his limited political experience, Regan did not adequately grasp the need for a

consistent bipartisan strategy on major issues to form a coalition nor the significance of relationship with the press.¹⁵⁶

The effects of the personnel changes both in the Congress and the White House weakened the connection between them.

For these reasons, President Reagan was confronted with enormous difficulties in carrying out his tax reform proposal. Then why could the tax reform bill, in spite of these troublesome problems, pass Congress?

〈i〉 The Reagan team’s lobbying

After the House rejected the rule allowing the Ways and Means Committee tax bill to come to the floor, the Reagan team conducted intense lobbying for passage of the bill. It included a spate of phone calls and visits to wavering Republicans and an unusual trip by President Reagan to Capitol Hill to meet with recalcitrant Republicans.¹⁵⁷ Above all, his letter to the House Republicans, which set the “minimum requirement” for a tax bill that he would sign, appeared to have a great influence.¹⁵⁸ The requirements included lower tax rates, a higher personal exemption and more tax incentives for the U.S. industries than were called for by the Committee bill.¹⁵⁹

Reagan’s personal quality may have highly contributed toward turning the tide.¹⁶⁰ However, it does not seem unimaginable that ironically partly because of those concessions in his letter, especially a promise of basic tax incentives for industries, an irresistible wave of requests for maintenance of various tax benefits occurred in the Senate and Packwood’s first draft bill was ruined.

〈ii〉 The bipartisan coalition made in Congress

The most central player of the enactment of Tax Reform Act of 1986 was Senate Finance Committee Chairman Bob Packwood. It is Pack-

wood and his staff director, William Diefenderfer who devised the bold plan that would turn the tide: a dramatic cut in tax rates and an elimination of virtually all deductions.¹⁶¹ It appealed to both political extremes, because “[t]he liberals had long wanted tax loopholes closed and conservatives liked driving the tax rates way down to twenty-five percent.”¹⁶² With this maneuver, he succeeded in forming a “core group of Democrats and Republicans, liberals and conservatives, rural and urban” Senators in his committee. The successful strategy for reviving the dying tax reform was hung on this bipartisan coalition.¹⁶³

It is the bipartisan cooperation of Packwood (Republican) and House Ways and Means Committee Chairman Dan Rostenkowski (Democrat) that led the bogged down conference to the final agreement.¹⁶⁴

President Reagan was not a central player in the process of enacting the Tax Reform Act of 1986. He could not “form a government” to carry out his tax reform plan. It is not his leadership but the coalition formed by congressional leaders that saved the bill from being buried. When Packwood lost control of the bill in his committee, neither President Reagan nor Secretary of Treasury James Baker could rescue him.¹⁶⁵ The defiance of his fellow House Republicans clearly brought out the difficulty with which the U.S. President is confronted in forming a government in order to carry out their policy; even the legislators of the President’s party are not reliable.¹⁶⁶

It might be said that, regardless of the process of legislation,¹⁶⁷ as far as President Reagan eventually got what he had desired, there is no problem. However, like the case in 1981, the tax reform is not all of his overall economic program but a part of it, though it is certainly

a significant accomplishment. In the fiscal year 1987 federal budget, Congress generally ignored President Reagan’s demands for heavy pruning of domestic programs.¹⁶⁸ According to Congressional Quarterly’s presidential support study, in the Senate, President Reagan’s 1986 success rate is 81 percent,¹⁶⁹ but in the fiscal year 1987 budget resolution the Senate defied him, calling for \$10.7 billion in new taxes and ignoring many of the sharp reductions in domestic programs he had wanted.¹⁷⁰ In the House, his success rate is only 33 percent and three-fourths of the roll-call votes, on which the President lost, include budget and domestic-spending questions as well as arms control, trade restrictions and South Africa sanctions.¹⁷¹ It is clear that he could not succeed in realizing his overall economic program.

President Reagan’s 1986’s overall success rate: 56.1 percent, which is a decrease of over 26 points from his first year (1981) ’s score (82.4 percent),¹⁷² undoubtedly testifies the decline of his clout in Congress.

Examining President Reagan’s performance in the process of the enactment of Tax Reform Act of 1986 also shows the difficulty with which, as Cutler points out, modern U.S. Presidents are faced in carrying out their overall programs. Like his predecessors, he went through many hardships because of the government’s structural inability to propose, legislate and administer a balanced program for governing.¹⁷³

Besides the above-mentioned cases, since the Reagan era two types of major events, which illustrate the structural inability of the existing political system to manage national economy, have happened. Next, I would like to turn to them.

IV The Breakdown of the Governmental System:

Automatic Reduction in Budget Deficit

1. Gramm-Rudman-Hollings Act

At the end of 1985, Congress adopted a radical scheme of automatic across-the-board spending cuts, so-called "Gramm-Rudman-Hollings Act."¹⁷⁴ This budget legislation, sponsored by Senators Phil Gramm (Republican, Texas), Warren B. Rudman (Republican, New Hampshire) and Ernest F. Hollings (Democrat, South Carolina), set annual maximum allowable deficits, declining by \$36 billion each year to reach zero by the fiscal year 1991 (deficits not exceeding \$171.9 billion in the fiscal year 1986, \$144 billion in the fiscal year 1987, \$108 billion in the fiscal year 1990, zero in the fiscal year 1991) and required across-the-board cuts of non-exempt programs¹⁷⁵ by a uniform percentage to achieve deficit targets if regular budget and appropriations actions failed to reach the set deficit goals. The automatic cuts were to be divided equally, with half coming from defense and the other half from non-military programs.¹⁷⁶

As a matter of fact, the automatic budget-deficit reduction legislation encompassed serious problems.

Though in August, 1985, the legislators had agreed to historically large spending reductions in the fiscal year 1986 budget resolution, it seemed certain that large federal deficits would continue into the future.¹⁷⁷ Even with three years of economic growth, government spending was 24 percent of GNP, yet tax revenues only 18.6 percent, leaving a "gaping structural deficit."¹⁷⁸ Frustration filled Congress. The looming next year elections heightened the legislators' sense of urgency about the

budget deficit.¹⁷⁹

Under the circumstances, the counter-deficit measure, introduced in late September, swept through Congress with great force. It was enacted without the usual legislative process of committee hearings and markups. Even the floor action was foreshortened. The crucial conference negotiations were conducted in private by both parties' leaders.¹⁸⁰

Not only the enacting process but also the substance of the legislation was problematic. Because the large expenditures for Social Security and interest on the national debt were exempted from automatic cuts, the legislation was projected to affect only about half the budget.¹⁸¹

Advocates of the measure hoped that it would force the President, Congress and people jointly to decide to spend less on the government services and subsidies, or to pay for the government they wanted with higher taxes, or both.¹⁸² President Reagan, however, expressly declared that he would never increase taxes nor slow down the buildup of national defense in his remarks on Gramm - Rudman - Hollings Act.¹⁸³

The bill made many members of Congress uneasy, and, in private, they often said that it was neither wise nor workable. Nevertheless, it won the strong bipartisan support in both the chambers,¹⁸⁴ because legislators had feared the economic and political consequences of continued large budget deficit.¹⁸⁵ In fact, most of the advocates said that "they could not guarantee that it would have the desired effect, but that it was better than \$200 billion-a-year deficits and the political impasse that had blocked solutions to the problem."¹⁸⁶ It was literally "a desperate measure, a 'mindless' constraint on the political process, made necessary by deadlock between a president and Congress who were unable to balance revenues and appropriations by normal constitutional processes."¹⁸⁷

In 1985, by adopting the Gramm-Rudman-Hollings measure, Congress promised great strides in reducing the budget deficit. However, ironically, Congress did not take even a modest step in that direction in the same year. On December 20, the lawmakers failed to agree on a budget reconciliation package that would slice \$74 billion out of the deficit over the next three years.¹⁸⁸

On February 7, 1986, the special three-judge panel of United States District Court for the District of Columbia held the central feature of the Act unconstitutional.¹⁸⁹ One of the enduring complaints about the measure was that its automatic procedure violated the separation-of-powers doctrine.¹⁹⁰ Hours after President Reagan signed the bill, Congressman Mike Synar (Democrat, Oklahoma) filed a complaint seeking declaratory relief that the Act was unconstitutional.¹⁹¹

Under the Act, the Congressional Budget Office (CBO) and the Office of Management and Budget (OMB) were jointly to estimate the deficit, the amount, if any, by which the deficit exceeded mandatory deficit limits, and the percentages by which defense and non-defense spending would have to be cut to achieve the target. The Comptroller General was to review the CBO and OMB figures, adjust them if necessary, and issue a report to the President that, in essence, would become the order mandating the cuts. The issue was whether the role of the Comptroller General violated the constitutionally imposed separation of powers.¹⁹²

The District Court held as follows: The Comptroller General, while appointed by the President with the advice and consent of the Senate, is removable only by a joint resolution of Congress or impeachment.¹⁹³ The powers conferred upon the Comptroller General as part

of the automatic deficit reduction process are executive powers,¹⁹⁴ which cannot constitutionally be exercised by an officer removable by Congress because of the fundamental principle of separation - of - powers.¹⁹⁵ Therefore those powers cannot be exercised, nor can the automatic deficit reduction process, to which those powers are central, be implemented.¹⁹⁶

On July 7, the Supreme Court affirmed the District Court's decision.¹⁹⁷

The likelihood of a constitutional challenge to the procedures was anticipated before the enactment of the Act, and a special, expedited procedure was written into it.¹⁹⁸ On July 17, the House and the Senate adopted a pair of resolutions restoring the cuts.¹⁹⁹

Nevertheless, the fiscal year 1986 ended with a record deficit of \$220.7 billion, though the specified deficit was no larger than \$171.9 billion.²⁰⁰

In 1987, Congress revived the Gramm-Rudman-Hollings Act (Gramm-Rudman "fix"). The lawmakers not only modified the automatic spending-cut procedure, but also eased the deficit targets and pushed the deadline for a balanced budget back two years to 1993 (the budget-deficit targets for fiscal year 1988, \$144 billion; 1989, \$136 billion; 1990, \$100 billion; 1991, \$64 billion; 1992, \$28 billion; 1993, zero).²⁰¹

However, the deficit in the Reagan Administration's last year, 1988, was \$155 billion, more than twice what they had inherited from the Carter Administration. What is worse, the estimated deficit in 1993, for which the budget-deficit target is zero, is \$327 billion.²⁰²

It appears that Gramm-Rudman-Hollings Act has not worked as a solution of the political deadlock but as a symbol of it.²⁰³

2. Balanced Budget Constitutional Amendment

The another scheme, which was devised to reduce an enormous federal budget deficit willy-nilly, is a balanced budget constitutional amendment, though it has never been adopted. Efforts to amend the United States Constitution in order to control national budget deficit are not new but dated from 1936, when Congressman Harold Knunston (Republican, Minnesota) proposed to set a per capita limit on the public debt. Ever since 1980s, proposals of a balanced budget constitutional amendment have been repeatedly made.²⁰⁴

In his 1980 presidential election campaign, Ronald Reagan promised to balance the federal budget by 1982 or 1983. By 1982, however, the deficit expanded up to \$110 billion. To cope with the situation, President Reagan threw his weight behind a constitutional amendment to require a balanced federal budget.²⁰⁵

In 1982, the Republican-controlled Senate deliberated a proposal sponsored by Orrin G. Hatch (Republican, Utah) and, on August 4, with last-minute lobbying by President Reagan, approved the amended measure²⁰⁶ requiring a balanced federal budget except in times of declared war or when three-fifths of Congress agreed to deficit spending,²⁰⁷ by a vote of 69 (Republicans 47, Northern Democrats 9, Southern Democrats 13) - 31 (Republicans 7, Northern Democrats 22, Southern Democrats 2).²⁰⁸ On October 1, however, the Democratic-controlled House rejected the proposed constitutional amendment,²⁰⁹ by a vote of 236 (Republicans 167, Northern Democrats 12, Southern Democrats 57) - 187 (Republicans 20, Northern Democrats 147, Southern Democrats 20),²¹⁰ 46 short of the required two-thirds majority of those present and voting.²¹¹

After that, the similar proposals, whose basic mechanism has been unchanged: a

three-fifths majority requirement in each house of Congress for approving a budget deficit except in time of war, have been repeated.²¹² In 1986, a balanced-budget constitutional amendment again reached the floor of the Senate, but, on March 25, it was rejected,²¹³ by a vote of 66 (Republicans 43, Northern Democrats 10, Southern Democrats 13) - 34 (Republicans 10, Northern Democrats 23, Southern Democrat 1), one short of two-thirds majority.²¹⁴

In 1989, President George Bush took up the issue in his State of the Union Address, urging lawmakers to "honor the public's wishes" by passing a constitutional amendment to require a balanced budget.²¹⁵

On July 17, 1990, in the House, the measure was rejected,²¹⁶ by a vote of 279 (Republicans 169, Northern Democrats 44, Southern Democrats 66) - 150 (Republicans 5, Northern Democrats 129, Southern Democrats 16), seven votes short of two-thirds majority.²¹⁷

On June 11, 1992, in the House the proposed amendment was again defeated,²¹⁸ by a vote of 280 (Republicans 164, Northern Democrats 52, Southern Democrats 64) - 153 (Republicans 2, Northern Democrats 130, Southern Democrats 20, Independent 1), nine votes short of the required majority.²¹⁹

The attempt to pass a balanced-budget constitutional amendment still continues. Soon after the new President Bill Clinton took office, on February 4, 1993, supporters of a balanced-budget amendment to the Constitution, led by Senator Paul Simon (Democrat, Illinois) and Congressman Charles W. Stenholm (Democrat, Texas), reintroduced the measure. They said that they would try to pass it by this fall.²²⁰

What is noteworthy, concerning the movement for a balanced-budget constitutional amendment in recent years, is the following.

The proponents of the amendment in Congress say that it is needed because Congress

has lost the ability to be fiscally responsible.²²¹ The members of Congress, that is responsible for the federal budget, admit their inability to balance it without the slightest hesitation. Moreover, well over a majority of lawmakers have been supporting the proposed amendment, though it has not been passed yet because of the requirement of two-thirds majority.

It is not only the legislators who attempted, and still attempt, to abandon their responsibility. So the Presidents (Reagan and Bush), who were responsible for the state of national economy, did. They advocated, expressed their support to and even lobbied for a constitutional amendment for balanced federal budget.

The Gramm-Rudman-Hollings Act and the repeated proposals of a balanced-budget constitutional amendment, two forcible countermeasures against ballooning budget deficit, symbolize the defects of existing governmental system. By enacting the Act and introducing the constitutional amendment bill, the President and Congress declared that they could not solve the problem by their mutual agreement and collaboration

Both of the measures were designed to reduce the deficit by force. Because the President and Congress had been unable to agree on the means to achieve the reduction in budget deficit, they resorted or reiteratedly tried to resort to the desperate measures. The enactment of the Gramm-Rudman-Hollings Act and the proposals of the constitutional amendment showed a breakdown of the existing U.S. governmental system.²²²

V Conclusion

On November 3, 1992, the Democratic candidate, Bill Clinton, who had been insisting the need for "change" during the campaign, was

elected the 42nd President of the United States. In the elections held on the same day, Democrats retained the control of both chambers of Congress. After twelve years, the "divided government" finally dissolved.²²³

On March 18, 1993, in the House²²⁴ and on March 25, in the Senate,²²⁵ President Clinton's budget plan was approved on a largely party-line. It seemed that the "gridlock" had eventually ended and that the governmental system had begun to work well.

However, the actual situation was not so easy.²²⁶

On August 5, the House adopted the President-backed reconciliation bill to reduce the deficit by an estimated \$496 billion over five years,²²⁷ by a vote of 218 (Republican 0, Northern Democrats 155, Southern Democrats 62, Independent 1) - 216 (Republicans 175, Northern Democrats 18, Southern Democrats 23).²²⁸ The margin was only two.

The next day, the Senate also passed it, but Vice President Al Gore had to vote in favor of it to break a tie²²⁹ (adopted by a vote of 51 (Republican 0, Northern Democrats 40, Southern Democrats 10, with Vice President Al Gore casting a "yea" vote) - 50 (Republicans 44, Northern Democrats 2, Southern Democrats 4)).²³⁰

Needless to say, it is too early to evaluate the new President's economic management, but the situation does never allow much room for optimism.²³¹

The management of national economy under the Reagan Presidency and thereafter shows the breakdown of the U.S. political system. Cutler's argument sounds more and more persuasive. It is not too late to refuse a structural reform of the government after closely examining arguments and proposals²³² for it.

The time seems to be already ripe for action.²³³

NOTES

1. See, e.g., Donald L. Robinson, *"To the Best of My Ability": The Presidency and the Constitution* (New York: W.W. Norton, 1987), pp.9-10; David Mervin, *Ronald Reagan & the American Presidency* (New York: Longman, 1990), pp.57-59.
2. "The U.S. Economy in Crisis," *Newsweek*, January 19, 1981, pp.30-34.
3. Robinson, p.205.
"Inflation elected Reagan in 1980." (Garry Wills, *Reagan's America* (New York: Viking Penguin, 1988), p.429.)
4. See, "The Presidency: Can anyone do the job?," *Newsweek*, January 26, 1981, p.34.
5. "Evidently it took more than a personally laudable man to make the system work." (Robinson, p.10.)
6. Robinson, pp.10-11.
7. "The Presidency: Can anyone do the job?," *op. cit.*, p.36. For the details, see, e.g., Lloyd N. Cutler, "To Form a Government," *Foreign Affairs*, 59, No. 1 (1980), p.126; Kevin Phillips, "An American Parliament," *Harper's*, 261, No. 1566 (1980), p.14; Arnold J. Meltsner, ed., *Politics and the Oval Office: Towards Presidential Governance* (San Francisco: Institute for Contemporary Studies, 1981); Hugh Heclo and Lester M. Salamon, eds., *The Illusion of Presidential Government* (Boulder: Westview Press, 1981).
8. E.g., "The Presidency: Can anyone do the job?," *op. cit.*, p.35; George F. Will, "Administration's Alibi," *Newsweek*, October 13, 1980, p.136.
9. Robinson, pp.11-12.
10. "A Great President?: Even foes say that Reagan has a chance at top ranking," *Newsweek*, January 28, 1985, pp.24, 26.
11. Robinson, p.12.
12. *ibid.*, p.10.
13. Lloyd N. Cutler, "To Form a Government," *Foreign Affairs*, 59, no. 1 (1980), p.126.
Lloyd N. Cutler was Counsel to President Jimmy Carter. (*Ibid.*, p.126 footnote.)
14. *Ibid.*, pp.126-27.
15. *Ibid.*, p.132.
16. *Ibid.*, p.126. See, Hedrick Smith, *The Power Game: How Washington Works* (New York: Ballantine Books, 1989), pp.639-43.
17. Cutler, p.128.
18. *Ibid.*
19. *Ibid.*, pp.129-30.
Naturally, in the case of so-called divided government, where one party holds the presidency and the other holds the control of either House of the Congress, the situation is even worse. Hedrick Smith describes it as follows: "The very fact of divided government invites politicians to play the blame game - to engage in maneuvers which have little chance of implementation but which dramatize their side's virtue and the opposition's villainy. With power politically divided, it is hard for voters to know whom to hold responsible for failure: the president or Congress, Republicans or Democrats. In this situation, the incentives of the power game reward tactical squeeze plays, finger pointing, damage control, and partisan posturing. The temptation for both sides is to protect their sacred cows and to gore the other side's oxen." (Smith, pp.644-45.)
20. Cutler, p.132.
21. *Ibid.*, pp.132-33.
22. *Ibid.*, pp.133-35.
23. "In the past five years, the Senate alone has hired 700 additional staff members, an average of seven per member." (*Ibid.*, p.136.)
24. *Ibid.*, pp.135-36.
25. *Ibid.*, p.136.
The former President, Jimmy Carter describes, from his bitter personal experience, as follows: "I learned the hard way that there was no party loyalty or discipline when a complicated or controversial issue was at stake - none. Each legislator had to be wooed and won individually. It was every member for himself, and the devil take the hindmost! Well-intended reforms in the organization of Congress and of the Democratic party had undermined the power of party leaders. The absence of discipline or consensus within the Democratic party strengthened the influence of special-interest lobbies on the legislative process - a highly dangerous development." (Jimmy Carter, *Keeping Faith: Memoirs of a President*, Bantam Trade ed. (New York: Bantam Books, 1982), p.80.)
26. Cutler, pp.136-37.
27. *Ibid.*, pp.137-38.
28. *Ibid.*, p.138.
29. *Ibid.*, pp.138-39.
30. Now, if the necessity of the reform is approved, what options are there? He presents the following proposals as ideas worth considering.
< i > Straight-ticket balloting for candidates for President, Vice President and the House of Representatives, with a four-year term for the House members
Voting for a trio of candidates, as a team, for President, Vice President, Congressman would tie the political fortunes of the party's presidential, vice-presidential and congressional candidates to one another and provide some incentive for

sticking together after their elections. A four-year term for Congressmen would make the tie even closer and provide them with greater protection against the pressures of single-issue political groups. (*Ibid.*, pp.140-41.)

⟨ii⟩ Permitting or requiring the President to select 50 percent of his Cabinet members from among the Senators and Congressmen of his party, who would retain their seats during their tenure of office

This proposal would tend to increase the intimacy between the executive and the legislature, and add to their sense of collective responsibility. (*Ibid.*, p.140.)

⟨iii⟩ Providing the President with the power, to be exercised not more than once in his term, to dissolve Congress and call for new congressional elections

It would provide the opportunity to break an executive-legislative impasse and to let the public decide whether it wishes to elect Senators and Congressmen who will legislate the President's overall program. (*Ibid.*, pp.140-41.)

⟨iv⟩ In addition to empowering the President to call for new congressional elections, at the same time, empowering a majority or two-thirds of both Houses of the Congress to call for new presidential elections. (*Ibid.*, p.141.)

⟨v⟩ A single six-year presidential term

This proposal would make it possible for Presidents to forget about politics and get to the high ground of saving the world. However, it might institutionalize for every presidency the lame duck impotence if Presidents did not have the leverage of reelection. (*Ibid.*)

⟨vi⟩ The combination involving elements of the third, fourth and fifth proposals

A. The President, Vice President, Senators and Congressmen would all be elected for simultaneous six-year terms.

B. On one occasion each term, the President could dissolve Congress and call for new congressional elections for the remainder of the term. If he did so, Congress, by majority vote of both Houses within 30 days of the President's action, could call for simultaneous new elections for President and Vice President for the remainder of the term.

C. All state primaries and state conventions for any required mid-term elections would be held 60 days after the first call for new elections. Any required national presidential nominating conventions would be held 30 days later. The national elections would be held 60 days after the state primary elections and state conventions. The entire cycle would take 120

days. The dissolved Congress would be free to remain in session for part or all of this period.

D. Presidents would be allowed to serve only one full six-year term. If a mid-term presidential election is called, the incumbent would be eligible to run and, if reelected, to serve the balance of his six-year term.

The President would not be regarded as a lame duck because of his continuing power to dissolve Congress.

Because any mid-term elections would have to be held promptly, a single national primary, a shorter campaign cycle and public financing of congressional campaigns would become a necessity. They might well be adopted for regular elections as well. (*Ibid.*, pp.141-42.)

⟨vii⟩ Revising the legislative process

① Congress would enact broad mandates, declaring general policies and directions, leaving the precise allocative choices, within a congressionally approved budget, to the President.

② The President would fill in the exact choices, the allocative decisions.

③ Any presidential action would be returned to Congress where it would await a two-house legislative veto. If not so vetoed within a specified period, the action would become law.

④ The legislative veto could be overturned by a presidential veto, subject to two-thirds override. If so, the President's ability to "form a Government" would be highly enhanced.)

This proposal would enable the President to carry out his program, subject to congressional oversight, and end the stalemate over whether to legislate the program in the first instance. (*Ibid.*, pp.142-43.)

Additionally, Cutler advocates the appointment of a bipartisan presidential commission to analyze the issues, compare how other constitutions work, hold public hearings, and make a full report. The commission could include ranking members of the House and Senate, or Congress could establish a parallel joint commission of its own. (*Ibid.*, p.143.)

31. *Ibid.*, p.131.

32. *Ibid.*

33. Robinson, pp.4-14.

34. Smith, p.641.

35. See, Robinson, p.10.

36. *Ibid.*, p.12.

37. The former House Speaker Tip O'Neill (Democrat, Massachusetts) writes: "In 1981, Ronald Reagan enjoyed a truly remarkable rookie year. He pushed through the greatest increase in defense spending in American history, together with the greatest cut-

- backs in domestic programs and the largest tax cuts this country had ever seen." (Tip O'Neill (with William Novak), *Man of the House: The Life and Political Memoirs of Speaker Tip O'Neil* (New York: St. Martin's Press, 1988), p.408.)
38. Robinson, pp.11-12.
 39. Mervin, pp.96, 106.
 40. "Inaugural Address (January 20, 1981)," *Public Papers of the Presidents of the United States: Ronald Reagan, 1981* (Washington: United States Government Printing Office, 1982), pp.1-4.
 41. "Address Before a Joint Session of the Congress on the Program for Economic Recovery (February 18, 1981)," *Public Papers of the Presidents of the United States: Ronald Reagan, 1981*, pp.109, 114.
 42. *Congressional Quarterly Almanac 1981* (Washington, D.C.: Congressional Quarterly Inc., 1982), P.257.
[Hereinafter *Congressional Quarterly Almanac* (Washington, D.C.: Congressional Quarterly Inc.) is cited as *Almanac*.]
 43. The reconciliation procedure, whereby the budget committees impose specific ceilings, was originally designed for use at the end of the budgetary process. The Reagan Administration maneuvered to attach reconciliation instructions to budget resolutions at the beginning so that the proposed package of budget cuts could be kept intact (See, *Almanac 1981*, p.5-C.). Owing to this maneuver, the Senators and Congressmen were required to vote for or against the administration's complete package of spending cuts at the beginning of budgetary process. As a result of the bill's passage, the relevant committees were obliged to work on the budgetary deliberation with specific ceilings and a tight schedule. (Mervin, pp.106-07.)
 44. *Almanac 1981*, pp.250-51, 257.
 45. *Ibid.*, pp.250-51, 257, 5-C.
 46. *Congressional Roll Call 1981* (Washington, D.C.: Congressional Quarterly Inc., 1982), p.16-S.
[Hereinafter *Congressional Roll Call* (Washington, D.C.: Congressional Quarterly Inc.) is cited as *Roll Call*.]
 47. *Almanac 1981*, pp.253, 257.
 48. David A. Stockman, *The Triumph of Politics: The Inside Story of the Reagan Revolution* (New York: Avon Books, 1987), p.183.
"The politicians had flinched. They had rubber-stamped the Reagan Revolution." (*Ibid.*)
 49. *Roll Call 1981*, p.22-S.
 50. *Almanac 1981*, pp.257, 253, 10-C.
 51. *Ibid.*, pp.252-53, 10-C.
 52. *Roll Call 1981*, p.20-H.
 53. *Almanac 1981*, pp.257, 253.
 54. *Roll Call 1981*, p.20-H.
 55. *Almanac 1981*, pp.257, 254.
 56. *Ibid.*, pp.257, 260.
 57. *Roll Call 1981*, p.33-S.
 58. *Almanac 1981*, pp.257, 264-65.
 59. *Ibid.*, pp.257, 259-60.
 60. The Reagan Administration felt it necessary to draft a substitute for the \$37.76 billion package agreed to by the House authorizing committees and complied by the House Budget Committee for two reasons. First, they claimed that the committees had failed to make deep enough cuts in entitlement programs, under which the government is obligated to make payments to persons who qualify for them. Secondly, they judged that the authorizing panels had not gone far enough to fold many categorical social programs together into block grants. (*Ibid.*, p.10-C.)
 61. *Ibid.*, pp.257, 263-64, 10-C.
 62. *Roll Call 1981*, p.42-H.
 63. *Almanac 1981*, p.257, 265.
 64. *Ibid.*, p.257.
 65. *Ibid.*, pp.265-66, 257.
 66. *Ibid.*, pp.266, 257.
 67. *Roll Call 1981*, p.42-S.
 68. *Almanac 1981*, pp.257, 266.
 69. *Ibid.*, p.257; *Congressional Quarterly Weekly Report*, August 15, 1981, p.1463.
[Hereinafter *Congressional Quarterly Weekly Report* is cited as *Weekly Report*.]
 70. "Address Before a Joint Session of the Congress on the Program for Economic Recovery (February 18, 1981)," *op.cit.*, pp.112-13; *Almanac 1981*, pp.91, 95-96.
 71. *Almanac 1981*, p.96.
 72. "Address Before a Joint Session of the Congress on the Program for Economic Recovery (February 18, 1981)," *op.cit.*, p.113.
 73. *Almanac 1981*, p.96.
 74. *Ibid.*, p.91.
 75. *Ibid.*, pp.97-98.
 76. *Ibid.*, pp.100-03.
 77. *Roll Call 1981*, p.41-S.
 78. *Almanac 1981*, pp.98-100, 10-C.
 79. *Ibid.*, p.103.
Rostenkowski warned, "If we accept the president's substitute, we accept his dominance of our House for the months ahead. We surrender to the political and economic whim of his White House." (*Ibid.*)
 80. *Ibid.*
 81. *Roll Call 1981*, p.58-H.
 82. *Almanac 1981*, p.103.
 83. *Ibid.*, p.91.
 84. *Roll Call 1981*, p.42-S.
 85. *Almanac 1981*, p.91.
 86. *Roll Call 1981*, p.62-H.
 87. *Almanac 1981*, pp.91, 92-95; *Weekly Report*,

August 22, 1981, p.1574.

On August 1, after the conference reached an agreement, Secretary of Treasury Donald T. Regan told reporters: "This is President Reagan's economic tax recovery plan". He boasted that the administration received "95 percent" of what it had sought. (*Almanac 1981*, p.91.)

88. Mervin, *op.cit.*, p.86.
89. *Ibid.*, p.95.
90. See, e.g., Theodore J. Lowi, *The Personal President: Power Invested, Promise Unfulfilled* (Ithaca: Cornell Paperback, Cornell University Press, 1986), pp.126-30; Smith, *op.cit.*, pp.656-59.
91. Mervin, *op.cit.*, p.86.
92. *Ibid.*, p.95.
93. "[I]n recent years the House had become a less disciplined and more individualistic legislative body." (*Ibid.*, p.116.)
See also, *Ibid.*, p.108.
94. *Ibid.*, pp.85-86.
95. *Ibid.*, pp.108-09, 112.
96. See, Smith, *op.cit.*, p.466.
97. Mervin, *op.cit.*, pp.114, 121.
98. *Ibid.*, pp.114-15.
99. *Ibid.*, p.105.
100. *Ibid.*, p.115.
Speaker Tip O'Neill describes President Reagan's staff as follows: "I didn't like their mean-spirited philosophy, but they knew where they were going and they knew how to get there. They put only one legislative ball in play at a time, and they kept their eye on it all the way through. Shortly after the inauguration, for example, when Secretary of State Haig tried to raise issue of Central America, the White House told him to leave it alone. There was to be only one issue on the agenda - the economy." (O'Neill, p.410.)
101. Mervin, pp.117-18; Smith, pp.468-70.
Lee Atwater, who took responsibility of Reagan's political operation together with Lyn Nofziger, told Hedrick Smith: "The way we operate, within forty-eight hours any congressman will know he has had a major strike in his district. All of a sudden, Vice President Bush is in your district; Congressman Jack Kemp is in your district. Ten of your top contributors are calling you, the head of the local AMA, the head of the local realtors' group, local officials. Twenty letters come in. Within forty-eight hours, you're hit by paid media, fee media, mail, phone calls, all asking you to support the president." (Smith, p.469.)
102. Mervin, p.121.
"The president was not much on the details of legislation, but he was great at fighting for it. He spoke to the American people on television. He pleaded with members of Congress over the phone. He worked through James Baker, his chief of staff, and through an experienced and savvy team of congressional liaison men. All in all, the Reagan team in 1981 was probably the best-run political operating unit I've ever seen." (O'Neill, p.413.)
103. Speaker O'Neil described this point as follows: "Reagan had tremendous powers of friendly persuasion. He once secured the votes of four Louisiana Democrats by promising to provide a support program for sugar. When a reporter asked one of them if this meant that his vote could be bought, he replied, 'No, but it can be rented.'"
"The president was continually calling members of the House. He didn't always get his way, but his calls were never wasted. He was very effective on the phone, making almost as many calls as Lyndon did." (O'Neill, p.409.)
104. Mervin, pp.118-19, 121.
105. *Ibid.*, pp.112, 120, 121.
As the debate on the tax cut bill was about to begin on the House floor, Speaker O'Neill "all but conceded the battle was lost - largely as a result of heavy lobbying by the president, his aides and voters mobilized by Reagan's television appeal." (*Almanac 1981*, p.103.)
It appears that he was swallowed up in "a tidal wave of public pressure generated by the president's July 27 televised appeal for support". "We are experiencing a telephone blitz like this nation has never seen. It's had a devastating effect," he said in the morning of the vote. (*Ibid.*)
106. Cutler, p.137.
107. "The U.S. Economy in Crisis," *op.cit.* passim.
108. William Schneider, "The November 4 Vote for President: What did it mean?," in Austin Ranny (ed.), *The American Elections of 1980* (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1981), p.227.
109. According to Harris opinion poll, taken by Louis Harris and Associates from January 2 to January 7, 1981, to the question: "Compared with these past eight presidents, do you feel Ronald Reagan will turn out to be one of the very best, better than most, not as good as most, or definitely worse than most of them?," 48 percent answered "better than most" and 12 percent answered "one of the very best". (*Public Opinion*, February/March 1981, p.38.)
110. See, *Reagan's First Year* (Washington, D.C.: Congressional Quarterly Inc., 1982), p.1.

111. "Reagan's first year was probably more of a plus than a minus for the president and his programs. But it seemed evident as his second year began that a continued bad economy or a combination of other events could cost Reagan crucial political and public support." (*Ibid.*, p.2.)
112. Mervin, p.123.
113. *Almanac 1982* (1983), p.10.
114. See, Cutler, p.138.
115. Mervin, p.123; *Almanac 1984* (1985), p.19-C.
For the the problems and criticism of Congressional Quarterly's presidential support study, see, Mervin, p.60.
116. *Almanac 1985* (1986), pp.481, 489, 490.
The text of the address, *Ibid.*, pp.20-D, 22-D.
117. U.S. Const. art. I, sec. 7, cl. 1: "All bills for raising revenue shall originate in the House of Representatives."
118. *Almanac 1985*, p.492.
119. *Weekly Report*, November 30, 1985, pp.2483-85, December 7, 1985, pp.2543-46; Mervin, p.136.
120. *Almanac 1985*, p.481; *Weekly Report*, December 7, 1985, p.2543.
121. *Almanac 1985*, pp.481, 497.
122. *Roll Call 1985* (1986), p.130-H.
123. *Weekly Report*, December 14, 1985, p.2613.
Speaker O'Neill said, "If the president really cares about tax reform, then he will deliver the votes". "Otherwise, Dec. 11 at 12 noon will be remembered as the date that Ronald Reagan became a "lame duck" on the floor of the House." (*Ibid.*)
124. *Almanac 1985*, p.497.
125. *Ibid.*, pp.481, 497-98.
126. *Roll Call 1985*, p.134-H.
127. *Almanac 1985*, pp.481, 498.
128. *Weekly Report*, December 21, 1985, p.2705.
129. During three weeks of work, the Finance Committee members endorsed additional tax breaks for Packwood's draft bill that would have cost \$29 billion in lost revenue over five years. (*Almanac 1986* (1987), pp.505, 509.)
130. Smith, p.498; Mervin, p.138.
131. Mervin, p.138.
132. *Almanac 1986*, pp.505, 510.
133. *Ibid.*, pp.505, 510-11; *Weekly Report*, May 10, 1986, pp.1007-09.
134. *Almanac 1986*, pp.505, 511.
135. *Roll Call 1986* (1987), p.27-S.
136. *Almanac 1986*, pp.505, 518-22.
137. *Ibid.*, pp.505, 522.
138. *Roll Call 1986*, p.108-H.
139. *Almanac 1986*, pp.505, 524.
140. *Roll Call 1986*, p.50-S.
141. *Almanac 1986*, p.505; *Weekly Report*, October 25, 1986, p.2668.
President Reagan called the legislation "the best anti-poverty bill, the best pro-family measure and the best job-creation program ever to come out of the Congress of the United States." (*Weekly Report*, October 25, 1986, p.2668.)
142. Smith, p.477.
143. *Ibid.*, p.361.
144. *Ibid.*, p.477.
145. *Ibid.*, pp.477-78.
House Republican Leader Robert Michel accused the Reagan team of focusing on their own landslide victory, to the neglect of Congress Republicans. (*Ibid.*)
146. *Ibid.*, p.478.
147. *Ibid.*, p.477.
148. Mervin, p.129.
149. *Ibid.*, pp.135, 139.
150. Smith, p.478.
151. *Ibid.*, pp.366-69.
152. *Ibid.*, p.478.
153. *Ibid.*, pp.478-79.
154. *Ibid.*, pp.479-80.
155. Mervin, pp.130-31; Smith, p.480.
156. Mervin, pp.131-32; Smith, p.480.
157. *Weekly Report*, December 21, 1985, p.2705; *Almanac 1985*, p.497.
158. *Weekly Report*, December 21, 1985, pp.2705-06.
159. The text of President Reagan's letter, *Ibid.*, 2702.
160. See, *Ibid.*, pp.2706-07; Mervin, p.139; Smith, p.380.
161. *Almanac 1986*, p.510.
162. Smith, p.498.
163. *Almanac 1986*, p.510.
164. *Ibid.*, p.520.
165. Smith, p.498.
166. Cutler, pp.129-30.
167. Hedrick Smith explained the background of the enactment of Tax Reform Act of 1986 as follows: "Public resentment against the existing tax code was so strong that both the Democratic House and Republican Senate were afraid to let the tax-reform bill die on their doorsteps. The tax bill was not popular with most members of Congress, but they feared the wrath of voters. President Reagan and congressional leaders such as Dan Rostenkowski and Bob Packwood used that fear to prod Congress to act at crucial moments." (Smith, p.647.)
168. *Weekly Report*, June 28, 1986, p.1440.
169. *Almanac 1986*, p.21-C.
170. *Ibid.*, p.5-C.
171. *Ibid.*, p.21-C.
172. *Ibid.*

173. See, Cutler, pp.126-27.
174. *Almanac 1985*, p.459.
175. The programs, exempted from automatic cuts, were: Social Security, interest on the federal debt, earned income tax credit, certain federal insurance trusts, federal payments to retirement funds and other items excluded for technical reasons, veterans' compensation, veterans' benefits, Medicaid, Aid to Families with Dependent Children, WIC (a food program for women, infants, and young children), Supplemental Security Income, food stamps and child nutrition. (*Ibid.*, pp.459, 464.)
176. *Ibid.*, pp.459, 462-66.
177. *Weekly Report*, December 14, 1985, p.2604.
178. Smith, p.648.
179. *Weekly Report*, December 14, 1985, p.2604.
180. *Almanac 1985*, p.459.
181. *Ibid.*, p.460.
182. *Ibid.*.
183. *Ibid.*, p.41-D.
184. On December 11, 1985, the Senate passed the conference agreement on the measure, by a vote of 61 (Republicans 39, Northern Democrats 11, Southern Democrats 11) - 31 (Republicans 9, Northern Democrats 20, Southern Democrats 2) and the House adopted it, by a vote of 271 (Republicans 153, Northern Democrats 60, Southern Democrats 58) - 154 (Republicans 24, Northern Democrats 108, Southern Democrats 22). (*Roll Call 1985*, pp.63-S, 132-H.)
185. *Almanac 1985*, p.459.
- "In the quagmire of congressional paralysis, the Gramm-Rudman scheme caught the public's fancy. To voters uninterested in the nitty-gritty of budget priorities, Gramm's formula had the appeal of an easy solution. And with voters enamored, Congress found it well-nigh irresistible. All sides proclaimed their support and then played blame-game politics over the fine print." (Smith, p.650.)
186. *Almanac 1985*, p.460.
187. Robinson, p.209.
188. *Almanac 1985*, p.11.
189. *Ibid.*, p.459; *Synar v. United States*, 626 F. Supp. 1374, 1403 (D.D.C. 1986).
190. *Almanac 1985*, p.461.
- In his signing statement, President Reagan expressed his view that the Act was constitutionally defective because of the Comptroller General's ability to exercise supervisory authority over the President. (*Ibid.*, p.36-D.)
191. *Ibid.*, p.459.
192. *Ibid.*, p.461.
193. *Synar*, 626 F. Supp. at 1391 & n. 19.
194. *Ibid.* at 1399-400.
195. *Ibid.* at 1401-02.
196. *Ibid.* at 1403; *Almanac 1986*, p.579.
197. *Bowsher v. Synar*, 478 U.S. 714 (1986); *Almanac 1986*, p.579.
198. *Almanac 1985*, p.466.
199. *Almanac 1986*, pp.579-80.
200. *Ibid.*, p.579.
- Hedrick Smith expresses the Gramm-Rudman-Hollings Act as follows: "The legislation that emerged was a symbol of the impasse it was supposed to resolve. Opposing parties and factions latched onto the Gramm-Rudman scheme at cross-purposes and for conflicting motives. The 1985 Gramm-Rudman bill came to illustrate what plagues the governing of America." (Smith, p.648.)
201. *Almanac 1987* (1988), pp.604-06.
202. Sources: Office of Management and Budget; House Budget Committee (cited from *The New York Times*, Friday, March 19, 1993).
203. See, Smith, p.655.
204. *Almanac 1990* (1991), p.174.
205. *Ibid.*
206. The following is the text of constitutional amendment adopted by the Senate:
- SECTION 1. Prior to each fiscal year, the Congress shall adopt a statement of receipts and outlays for that year in which total outlays are no greater than total receipts. The Congress may amend such statement provided revised outlays are no greater than revised receipts. Whenever three-fifths of the whole number of both Houses shall deem it necessary, Congress in such statement may provide for a specific excess of outlays over receipts by a vote directed solely to that subject. The Congress and the President shall, pursuant to legislation or through the exercise of their powers under the first and second articles, ensure that actual outlays do not exceed the outlays set forth in such statement.
- SECTION 2. Total receipts for any fiscal year set forth in the statement adopted pursuant to this article shall not increase by a rate greater than the rate of increase in national income in the year or years ending not less than six months nor more than twelve months before such fiscal year, unless a majority of the whole number of both Houses of Congress shall have passed a bill directed solely to approving specific additional receipts and such bill has become law.
- SECTION 3. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect.
- SECTION 4. Total receipts shall include all receipts of the United States except those derived from borrowing and total outlays shall include all

outlays of the United States except those for repayment of debt principal.

SECTION 5. The Congress shall enforce and implement this article by appropriate legislation.

SECTION 6. On and after the date this article takes effect, the amount of federal public limit as of such date shall become permanent and there shall be no increase in such amount unless three-fifths of the whole number of both Houses of Congress shall have passed a bill approving such increase and such bill has become law.

SECTION 7. This article shall take effect for the second fiscal year beginning after its ratification.

(*Weekly Report*, August 7, 1982, p.1889.)

207. *Almanac 1990*, p.174; *Almanac 1982*, p.391.

208. *Roll Call 1982* (1983), p.49-S.

209. *Almanac 1982*, p.391.

210. *Roll Call 1982*, p.108-H.

211. U.S. Const. art. V: "The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution"

212. *Almanac 1990*, p.174.

213. *Almanac 1986*, p.578.

214. *Roll Call 1986*, p.9-S.

215. "Address on Administration Goals Before a Joint Session of Congress (February 9, 1989)," *Public Papers of the Presidents of the United States: George Bush, 1989* (Washington: United States Government Printing Office, 1990), p.75.

President Bush said, "Such an amendment, once phased in, will discipline both the Congress and the executive branch." (*Ibid.*)

216. *Almanac 1990*, pp.174-75.

217. *Roll Call 1990* (1991), p.82-H.

218. *Weekly Report*, June 13, 1992, p.1683.

219. *Ibid.*, p.1744.

220. *Weekly Report*, February 6, 1993, p.260.

An aide to Senator Simon said the senator has a longstanding commitment from Majority Leader George J. Mitchell (Democrat, Maine), that the Senate in October will take up a balanced-budget constitutional amendment. House Speaker Thomas S. Foley (Democrat, Washington) promised that he would schedule the amendment for floor consideration if the Senate passes it. (*Weekly Report*, August 14, 1993, p.2220.)

221. *Almanac 1990*, p.174.

222. See, Robinson, pp.13, 209, 211.

Senator Warren B. Rudman, one of the sponsors of Gramm-Rudman-Hollings Act, announced his decision of retirement on March 24, 1992. The *Washington Post* reported the news as follows: "Sen. Warren B. Rudman (R-N.H.), one of the most outspoken, influential and effective senators of the past decade, said yesterday he will not seek a third term this fall because of frustration over paralysis in government and his own powerlessness to do anything." ("Rudman to Leave Senate: Government Paralysis Frustrates Republican," *Washington Post*, March 25, 1992.)

223. *Weekly Report*, November 7, 1992, pp.3545, 3557, 3570.

224. *Weekly Report*, March 20, 1993, p.653.

The budget resolution was adopted, by a vote of 243 (Republican 0, Northern Democrats 164, Southern Democrats 78, Independent 1) - 183 (Republicans 172, Northern Democrats 6, Southern Democrats 5). (*Ibid.*, p.700.)

225. *Weekly Report*, March 27, 1993, p.731.

The budget resolution was approved, by a vote of 54 (Republican 0, Northern Democrats 41, Southern Democrats 13) - 45 (Republicans 43, Northern Democrat 0, Southern Democrats 2). (*Ibid.*, p.786.)

226. As early as April 21, 1993, after four failed attempts to end the Republican filibuster, the Senate Democrats gave up the passage of President Clinton's economic stimulus package, one of the key elements of his economic program. (*Weekly Report*, April 24, 1993, p.1001.)

227. *Weekly Report*, August 7, 1993, p.2122.

228. *Ibid.*, p.2200.

229. *Ibid.*, p.2122.

230. *Weekly Report*, August 14, 1993, p.2243.

231. For the prospects for governance under the Clinton Administration, See, James L. Sundquist, ed., *Beyond Gridlock?: Prospects for Governance in the Clinton Years - and After* (Washington, D.C.: The Brookings Institution, 1993).

232. I will discuss proposals for a structural reform of the U.S. government in a separate article.

233. "[I]t is time for a thorough review of the operation of our political system, and time also to give careful consideration to proposals for reform." (Donald L. Robinson, *Government for the Third American Century* (Boulder: Westview Press, 1989), p.4.)