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# Unconventional Politics: The Campaign for a Balanced-Budget Amendment Constitutional Convention in the 1970s

IWAN MORGAN

The drive to enact a constitutional amendment requiring balanced federal budgets has been a defining issue of American politics in the final decade of the twentieth century. Supporters of this measure deemed it the only way to break the cycle of huge deficits that inflated the national debt to almost unmanageable proportions in recent years. In 1995, 1996 and 1997 only the Senate's narrow failure to deliver the requisite two-thirds majority – latterly by a single vote – prevented Congress proposing an amendment for ratification by the states. Nevertheless the balanced-budget amendment campaign is not a product of the deficit-conscious 1990s. It originated in the 1970s as a movement by the states to impose fiscal discipline on the federal government. Between 1975 and 1979 thirty states petitioned Congress for a convention to write a balanced-budget amendment. The convention method of constitutional reform had lain unused since the Founding Fathers devised it as an alternative to congressional initiative, but the support of only four more states would have provided the two-thirds majority needed for its implementation. The states' campaign stalled at this juncture in the face of opposition from the Carter administration and congressional Democrats. By then, however, it had done much to popularize the balanced-budget amendment and make it part of the nation's political agenda.

This article seeks to analyze the development of the balanced-budget amendment constitutional convention campaign and to assess its historical

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significance. Aside from its relevance to today's fiscal politics, the movement merits attention as an important episode in the history of the 1970s, an era when economic problems at home and defeat abroad underlined the limits of America's prosperity and power. In this troubled time, popular confidence in the nation's political leaders underwent marked decline. The Watergate scandal, failure in Vietnam and economic stagflation created doubts about their trustworthiness and competence to deal with America's problems. The budget revolt by the states was a manifestation of this anti-Washington mood. In style as well as substance, the campaign challenged conventional politics: it manifested distrust in elected leaders to manage public finances without constitutional restraint and sought to bypass establishment control of the orthodox forms of politics through adoption of an untested process of constitutional change. In many respects the drive for a balanced-budget amendment convention was an expression of the same populist impulse that was the mainspring of Jimmy Carter's campaign for president in 1976. The former Georgia governor's status as a political outsider untainted by previous connection with Washington had been his greatest electoral asset, but in office this man-of-the-people aligned himself with the nation's political establishment against the convention campaign. Analysis of Carter's response to this movement casts light on the ambiguity and complexity of his presidential politics.

Economic and political concerns were interwoven in convention-movement credo. The conviction that the federal government should live within its means in the new age of limits was at the heart of the campaign. The escalating deficits of the 1970s, which dwarfed the modest imbalances incurred in the postwar quarter-century, were regarded as the harbingers of economic ruin.<sup>1</sup> To convention-movement supporters, the federal government's ever deeper descent into the red was the main cause of the unprecedented inflation that sent consumer prices spiraling by a yearly average of 9.3 percent from 1973 through 1980. They regarded the new economics of the 1960s as a false gospel that had legitimized permanent deficits as the guarantor of economic growth, but whose legacy of increased government borrowing had instead driven up interest rates,

<sup>1</sup> Between FY 1947 and FY 1969 the US achieved eight balanced budgets and only twice ran a deficit above \$10 billions. A sequence of unbalanced budgets – currently ongoing – commenced in FY 1970. Convention movement growth coincided with deficits of \$53.2 billion in FY 1975, \$73.7 billion in FY 1976, \$53.6 billion in FY 1977, \$59.2 billion in FY 1978 and \$40.2 billion in FY 1979. See *Historical Tables: Budget of the United States Government, 1992* (Washington D.C., 1991), 13, 15.

undermined the dollar, created an inflationary psychology among consumers and saddled future generations with an enormous burden of public debt. As State Senator James Clark of Maryland, founding father of the convention drive, avowed, “The universities that taught the theories of Lord Keynes and the politicians who distorted them for their own needs are the architects of our present dilemma and must bear the responsibility.”<sup>2</sup>

Convention-movement supporters also regarded a balanced-budget amendment as a symbol of the American people’s ability to regain control over their government at a time of national crisis. In their view, balanced budgets represented governmental self-discipline and efficiency, while deficits stood for spendthrift habits, waste and civic decline. Republican State Senator Cooper Evans of Iowa, for example, claimed that a balanced-budget amendment was necessary to end “undisciplined and excessive spending.” Similarly, Democratic State Senator Jerry Smith of California contrasted the frugality of state governments, forty-four of whom were constitutionally obliged to balance their budgets, with federal prodigality, an image of fiscal virtue and vice which obscured the fact that most states were only required to balance their operational budgets, as opposed to their capital budgets. Deficits were also associated with the corruption of civic ideals in government. National Taxpayers Union chairman James Davidson contended that unbalanced budgets, far from being instruments of economic management for the public good, were the product of politicians’ selfishness in giving ever more funds to programs favored by interest groups whose support they solicited in the cause of their own re-election. Finally, social order breakdown was seen as the inevitable consequence of runaway deficits. According to James Clark, “[T]he charted course of two decades of deficit spending has set the twin destinations of inflation and recession, to be followed by great social unrest that will shake the very foundations of our Republic.”<sup>3</sup>

Such sentiments broadly reflected popular mistrust of national institutions. Pollster Daniel Yankelovich found that trust in government had declined dramatically from a consensual level of nearly 80 percent in the late 1950s to a minority position of 33 percent by 1976. Associated with this was growing concern about inefficiency in government. The Center for Political Studies surveys showed the number of respondents who thought that “people in the government waste a lot of the money we

<sup>2</sup> *New York Times*, 23 Mar. 1979.

<sup>3</sup> *New York Times*, 10 Feb. 1979; *Los Angeles Times*, 19 Feb. 1979; *Washington Post*, 6 Mar. 1979; *New York Times*, 23 Mar. 1979.

pay in taxes” rose from 43 percent in 1958 to 77 percent in 1978. In 1978–79 and 1981 Gallup polls surveying popular estimates of the portion of each tax dollar wasted by the federal government elicited a median response of 48 cents (compared with 30 cents and 24 cents for state and local government respectively). On the other hand polls also showed that confidence in the actual system of government remained strong and that popular opinion did not support retrenchment of federal programs. A 1978 Yankelovich survey found that 68 percent of respondents agreed that “it was possible to cut taxes without decreasing services if the government becomes more efficient.” Likewise, a 1979 NBC News poll recorded 71 percent support for the view that the federal budget could be balanced just by reducing waste and inefficiency. To opinion analysts, such findings indicated that Americans wanted better government rather than less government, to be achieved mostly through changes in leadership and the way the political system was run.<sup>4</sup> In this context a balanced-budget amendment had appeal as a means of improving the quality and performance of the federal government.

Several versions of a constitutional fiscal restraint had been offered in Congress in the past, beginning with the Knutson amendment of 1936 to place a *per capita* limit on the national debt in peacetime, but not one had been approved by even a congressional subcommittee. Experience of depression and war had convinced America’s political leaders that deficits were often necessary to manage the economy and ensure national security. In 1975, Senate Judiciary Committee hearings reaffirmed that there was little support within the Washington establishment for a balanced-budget amendment in spite of rising inflation. In frustration, a handful of state legislators decided independently of each other that the states themselves had to initiate constitutional change. In 1975, Senator James Clark of Maryland and Representative David Halbrook of Mississippi, both Democrats, got convention-resolution measures approved by their state legislatures. Anxious to expand the movement, Clark sought the support of an organization with resources to mount a national campaign. Rebuffed by Common Cause, a liberal-oriented good-government group, he enlisted the assistance of the National Taxpayers Union (NTU), a little known conservative group based in Washington DC.<sup>5</sup>

<sup>4</sup> See poll data cited in Seymour M. Lipsett and William Schneider, “The Decline of Confidence in American Institutions,” *Political Science Quarterly*, 98 (Fall 1983), 83–84 and *The Confidence Gap: Business, Labor and Government in the Public Mind* (New York: Free Press, 1983), 342–46.

<sup>5</sup> Russell Caplan, *Constitutional Brinkmanship: Amending the Constitution by National Convention* (New York: Oxford University Press, 1988), 78–79.

Formed in 1969 to fight big federal spending, the NTU had lobbied against specific programs like Amtrak, the B-1 bomber, and federal-guaranteed insurance for the nuclear industry, but its animus was directed against all government expenditure. This organization's goal, as outlined in its National Tax Reduction Plan, was a continuous reduction in spending through the elimination of what it deemed wasteful and non-essential programs in order to finance large tax cuts within a balanced budget. Initially it made little impact, largely because it concentrated on publicizing budget overruns rather than actually mobilizing popular opinion. As treasurer William Bonner admitted, the NTU "naively thought we could just spill the beans and tell the story of government waste, but it didn't work." By the mid 1970s, however, the anti-abortion and anti-ERA (Equal Rights Amendment) movements had shown how grass-roots campaigns could be mounted against government. Hoping to emulate them, NTU leaders saw the drive for a balanced-budget amendment constitutional convention as the issue that would enable it to build a national coalition in support of its fiscal agenda. On the back of this cause its membership grew from 20,000 in 1976 to around 100,000 by early 1979. Though the NTU received financial support from what founder James Davidson called "eccentric industrialists...troubled by the direction that politics takes", membership subscriptions provided the bulk of its income. The growth in members therefore financed a significant expansion of activities by the NTU, which reported outlays of \$1.1 million in 1978 and over \$2 million in the following year.<sup>6</sup>

The NTU's leadership of the movement was agreed at a meeting of balanced-budget amendment supporters in Kansas City in December, 1975. It set about building a grass-roots network in support of the cause. Using its own mailing lists and those of sympathetic groups such as the National Conservative Political Action Committee, the NTU mobilized members and other activists to form state and local affiliates to lobby for convention resolutions. By early 1979, there were over five hundred of these groups. Rarely did the national organization directly fund local affiliates, though it sometimes provided loans to keep them afloat. Typically, the NTU strategy was to work with its strongest groups in a particular state and select their ablest members to present the case for a

<sup>6</sup> "Group Wants to Balance Nation's Checkbook," *Congressional Quarterly Weekly Report* [CQWR], 37 (17 Feb. 1979), 277-79; David S. Broder, *Changing of the Guard: Power and Leadership in America* (New York: Penguin, 1980), 157-58; author's telephone interview with David Keating, NTU executive vice-president, 20 Nov. 1996.

convention to state legislators. It financed newspaper advertisements to generate local support, issued a monthly newsletter entitled *Dollars & Sense* to members, and helped to coordinate mail shot and lobbying efforts directed at key members of state legislative committees which considered convention resolutions. Also, with the help of Clark, Halbrook and Democratic State Senator Jason Boe of Oregon, president of the National Conference of State Legislators, the NTU built an informal network of state politicians willing to sponsor convention resolutions. Eventually, after California voters approved the Proposition 13 tax-limitation referendum in 1978, it appointed a full-time campaign co-ordinator in the belief that the success of the tax revolt heralded victory for the budget revolt in 1979.<sup>7</sup>

The convention campaign made steady progress: four states adopted resolutions in 1975, eight in 1976, five in 1977, five in 1978 and eight in 1979. All were southern or western states, except Indiana, New Hampshire and Pennsylvania. This conformed with the pattern of support for other convention movements of recent times, notably those concerning reapportionment of state legislatures, revenue-sharing, and abortion.<sup>8</sup> According to Russell Caplan, these campaigns reflected “dissatisfaction, of a conservative and rural hue, with the social and economic policies of the federal government.” In his view the convention route to constitutional change had become the preserve of groups opposed to the political legacy of the 1960s. By contrast, congressional initiatives in this period (Amendments XXIII, XXIV and XXVI and the unsuccessful ERA) mainly sought to expand equality in furtherance of the civil rights revolution. In similar vein, Bruce Ackerman categorized the balanced-budget amendment movement among the constitutional initiatives of the New Right.<sup>9</sup>

However, the balanced-budget amendment convention drive does not fit neatly into this ideological dichotomy. True, it was endorsed mainly by

<sup>7</sup> “Group Wants to Balance Nation’s Checkbook,” *CQWR* (17 Feb. 1979) 279; *New York Times*, 15 May 1979; *Washington Post*, 14 Feb. and 5 Mar. 1979.

<sup>8</sup> In the 1960s, following Supreme Court judgments requiring equitable apportionment of state legislatures, thirty-three states called for a convention to propose an amendment allowing at least one house of each state legislature to be apportioned on a basis other than population, such as geography or political subdivision. Twelve states applied for a convention on a revenue-sharing amendment in the early 1970s, and nineteen states did so in support of an anti-abortion amendment between 1977 and 1986.

<sup>9</sup> Caplan, 78; Bruce Ackerman, *We the People: I-Foundations* (Cambridge, Mass.: Belknap Press, 1991), 86, 112.

states whose politics were predominantly conservative, but support for the campaign among state politicians and activists cut across party lines and political beliefs. Many Democrats backed the movement in the conviction that the amendment would restore order to federal finances and avert the danger of the deficit spiraling out of control without necessitating loss of programs and services. There was also widespread popular support for a constitutional ban on deficits. In January 1979 a CBS-*New York Times* poll found 73 percent approval of an amendment requiring balanced budgets except in time of emergency, with only 16 percent of respondents voicing opposition. Support was remarkably level across age, income, educational, regional and political lines; it was marginally higher among Democratic than Republican identifiers and nearly as high among self-described liberals as among conservatives.<sup>10</sup>

Prior to 1979 the convention drive attracted little attention at national level. States approving balanced-budget amendment resolutions did so with little debate and no fanfare. The convention movement faced a simpler task than the state tax-limitation movement that was simultaneously active in a number of states. The latter had to wage a high-profile campaign to get initiatives like Proposition 13 on to a state referendum ballot and then approved by the electorate. In contrast, the former only needed the state legislature to vote in favor of a convention resolution, and in most instances the key to success lay in enlisting the support of a handful of influential legislators. Of the first 21 state legislatures to petition, only 6 conducted public hearings or issued committee reports evaluating the proposal. “Sometimes without a single hearing, without a review of the alternatives, without as much debate as a new state song would engender,” complained Democratic US Senator Edmund Muskie of Maine, “the states endorse a substantial revision of the fundamental law of the land.”<sup>11</sup>

The NTU was intent on keeping the campaign out of the headlines until the required thirty-four states, or close to this number, petitioned for a convention. Its leaders anticipated that Congress would back down and offer its own amendment proposal if the convention drive appeared unstoppable, but they were alive to the dangers of a counter-campaign. Accordingly, the convention movement deliberately avoided ideological and partisan controversy. In particular, it never spelled out how the budget would be balanced. As Tom Field, director of the fair-tax group Taxation with Representation, commented: “NTU is very good at saying

<sup>10</sup> *New York Times*, 31 Jan. 1979.

<sup>11</sup> *San Francisco Chronicle*, 20 Feb. 1979; *New York Times*, 14 Feb. 1979.

‘cut, cut, cut,’ ‘taxation is theft,’ and ‘bureaucrats are a bunch of drones.’ I’d like to see some evidence of where those cuts are to come.” Although the NTU itself made political contributions to right-wing Republicans, the convention campaign developed a bipartisan character, which was reinforced by the high-profile involvement of Democratic state politicians like Clark, Boe and Jerry Brown. This was a practical necessity, since most state legislatures were under Democratic control at this time. For the same reason the indiscipline of Congress rather than the liberal policies of the Democratic party was blamed for perpetual deficits. The convention movement, NTU executive director Grover Norquist avowed, was “a vote of no confidence in Congress.” Identifying Congress as the villain also focused attention on its reluctance to propose a balanced-budget amendment of its own accord. Advocacy of a convention could be presented as a means to pressurize the national legislature to act, so preempting lengthy debate about substantive fiscal and constitutional questions at state level.<sup>12</sup>

It was the intervention of Governor Edmund G. “Jerry” Brown Jr. of California that upset this strategy of stealth. The forty-year old Brown had established himself as a leading Democrat through his cool image, mastery of symbolism, and willingness to promote issues before they became mainstream. Unconventional in political style and outlook, he had cultivated a populist identity that often set him at odds with party leaders. Supporters admired him as far-sighted and mold-breaking, critics deemed him shallow, inconsistent and ideologically ambiguous. Brown had won five primaries in the 1976 presidential campaign with a message urging lowered expectations about what government could do in the new age of limits. He was the sole contender for the Democratic nomination to support a balanced-budget amendment. At his second-term gubernatorial inauguration on 9 January 1979, Brown announced that a constitutional convention, which he had previously opposed for fear it would be uncontrollable, was the only way to overcome “the political paralysis” that prevented solution of the deficit problem.<sup>13</sup>

Though concerned that unbalanced budgets bred inflation “as destructive to our social well-being as an invading army,” Brown’s fiscal ideas differed in many ways from the NTU’s. He wanted to redirect public

<sup>12</sup> “Balance-the-Budget Boom”, *Newsweek*, 12 Feb. 1979, 34; “Group Wants to Balance Nation’s Checkbook,” *CQWR*, 17 Feb. 1979, 277–79; “ABCs of Constitutional Convention,” *United States News and World Report [USNWR]*, 12 Feb. 1979, 67.

<sup>13</sup> *Washington Post*, 9 Feb. 1979, “The Pop Politics of Jerry Brown,” *Newsweek*, 23 Apr. 1979, 26–35; *New York Times*, 13 Apr. 1979.

spending towards programs that represented an investment in the future rather than to reduce government. Bureaucratic waste and defense programs were his prime targets for retrenchment. In his view the main beneficiaries of deficit government were not low-income Americans, but the military–industrial complex and the banks and investment houses who bought Treasury securities. Brown once claimed: “[I]f Lyndon Johnson had had to balance his budget, we would never have had a Vietnam War and thousands of people who are dead today might still be alive.” On the other hand, he deemed the old liberalism no longer viable because the postwar economic boom that had generated the revenues to finance the growth of domestic programs without increased taxes had given way to a new age of limits. To him, balancing the budget was symbolic of national renewal and America’s willingness to meet the challenges of the late twentieth century. He told columnist Joseph Kraft that it was “a way to force a discussion of what to do as a country and how to pay for it... The significant question is how to instill a sense of discipline in this country, a determination to build the future, not to steal from it.”<sup>14</sup>

The California governor also projected himself as the people’s champion against the political establishment. When five hundred eminent economists signed a public letter warning about the technical difficulties of balancing the budget by constitutional fiat, he pored scorn on their entire profession as a self-interested elite seeking to justify an outmoded economic doctrine. “Their ideas are not a lot better,” scoffed Brown, “than what I can think through myself, by just trying to work it through.” Critics who claimed that a constitutional convention would be uncontrollable came in for similar condemnation: “That’s like saying there were giants in the 18th Century – Madison and Mason and Jefferson and Hamilton. But the 200 million Americans today can’t produce giants. That’s a Washington view.” Above all, Brown regarded the convention drive as a further manifestation of the anti-government popular mood that had produced Proposition 13. Having originally opposed this measure, he had made a complete u-turn on referendum night in recognition of its popularity. Linking the budget revolt with the tax revolt in his second inaugural address, he spoke of an “angry citizenry” recapturing control of government from “the established political union and corporate powers.”<sup>15</sup>

<sup>14</sup> *San Francisco Chronicle*, 20 Jan. 1979; *New York Times*, 10 Apr. 1979; *Washington Post*, 4 Mar. and 6 Feb. 1979; *Los Angeles Times*, 27 Feb. 1979. See too, Brown’s personal statement in “A Constitutional Ban on Red Ink?,” *USNWR*, 29 Jan. 1979, 27–28.

<sup>15</sup> *Washington Post*, 17 May, 6 Feb., 10 Jan. 1979.

Brown's views on deficits were also laced with a large dose of self-interest. The convention campaign provided a vehicle for his 1980 presidential ambitions. A late entry into the 1976 nomination race had limited his chances of success. Anxious for early momentum in 1980, Brown looked to get this through leadership of the balanced-budget amendment movement. The cause seemed tailor-made to his style and persona as a politician. He could position himself as both a populist crusader and a moral critic of politics-as-usual. Moreover, by speaking for the cause in states like Illinois, New Hampshire and Ohio that were still to approve convention resolutions, Brown could put down markers for the 1980 primary election season. In support of this strategy, plans were laid by Brown's staff for the development of a national committee for a balanced-budget amendment headed by top aide Tom Quinn.<sup>16</sup>

Only twenty-two states had approved convention resolutions when Brown's endorsement thrust the campaign into the national spotlight. NTU Treasurer William Bonner acknowledged: "It would have been better to let a sleeping dog lie. There was no point in heating things up."<sup>17</sup> The movement now encountered a barrage of negative publicity from a largely hostile national media and critics within the Washington political establishment. A principal issue of concern was whether a constitutional convention could be limited to a single issue. The Founding Fathers had adopted the convention device at a late stage of their deliberations at Philadelphia in 1787 to reassure delegates who wanted more say for the states in the amendment process, but there were no procedural rules for such a body. In response to the recent proliferation of convention movements, the American Bar Association had investigated this method of amendment and concluded that it was potentially "an orderly mechanism" for effecting constitutional change. Its report discounted the dangers of a runaway convention and pointed to the ratification process as the ultimate safeguard.<sup>18</sup> However, many constitutional scholars, notably Charles Black of Yale and Lawrence Tribe of Harvard, doubted that Congress could impose procedural rules for a convention and their concerns received extensive media coverage. Tribe, in particular, warned that the Article V convention presented "many critical questions" that were "completely open" with no "authoritative answer." Control was

<sup>16</sup> *Washington Post*, 9 Feb. 1979; *Los Angeles Times*, 1 Feb. 1979.

<sup>17</sup> "Group Wants to Balance Nation's Checkbook," *CQWR*, 17 Feb. 1979, 279.

<sup>18</sup> American Bar Association Special Constitution Convention Study Committee, *Amendment of the Constitution by the Convention Method Under Article V* (Chicago, 1974).

not the sole problem; it was also unclear how delegates were to be selected, how many would each state have, how the convention would be funded, and what vote would be needed to carry the convention – unanimous approval, three-quarters of the delegates, two-thirds of them, or just a simple majority.<sup>19</sup>

There was widespread concern that a runaway convention would drastically alter the Constitution just as the Founding Fathers had disposed of the Articles of Confederation at Philadelphia in 1787. This fear initially deterred Howard Jarvis, architect of the Proposition 13 tax rebellion, from supporting the states' budget revolt. "It would put the Constitution back on the drawing board," he warned, "where every radical crackpot or special-interest group would have the chance to write the supreme law of the land."<sup>20</sup> Pro-choice groups were particularly worried that right-to-life supporters, who were more influential at state than federal level, would seize the opportunity to secure an anti-abortion amendment.<sup>21</sup> Politicians of differing ideological hues, ranging from liberal Democrats to conservative Republicans, also feared that the nation was about to engage in constitutional Russian roulette. Even those who had made a career of denouncing Washington's isolation from the rest of the nation now rallied to the established order of the American polity. Senator Barry Goldwater of Arizona, talisman of the old Republican right, claimed: "[E]very group in this country – majority, minority, middle-of-the-road, left, right, up, down – is going to get its two bits in and we are going to wind up with a Constitution that will be so far different from the one we have lived under for 200 years that I doubt the Republic could continue." Of course, enactment of a convention procedures bill would have minimized the danger, but there was little support for this. Congressional leaders had an innate suspicion of grass-

<sup>19</sup> Charles Black, "Amendment by National Constitutional Convention: A Letter to a Senator," *Oklahoma Law Review*, 32 (1979), 626, 642–43; Lawrence Tribe, "Issues Raised by Requesting Congress to Call a Constitutional Convention to Propose a Balanced Budget Amendment," *Pacific Law Journal*, 10 (1979), 627, 638. Examples of editorial and media comment reflecting such fears are: *New York Times*, 9 Feb. 1979; *Wall Street Journal*, 1 Mar. 1979; "A Constitutional Convention?," *USNWR*, 12 Mar. 1979, 96; and Bruce Ackerman, "Unconstitutional Convention," *New Republic*, 3 Mar. 1979, 8–10.

<sup>20</sup> *San Francisco Chronicle*, 31 Jan. 1979.

<sup>21</sup> Harriet Pilpel, a New York attorney, commented: "Surely all Americans who value our hard-won basic freedoms and recognize the evolutionary process by which they have developed will not want to put them at the mercy of an uncharted and possibly uncontrollable convention, no matter what their views on abortion or a balanced Federal budget may be." See her article, "Constitution-Changing," *New York Times*, 20 Jan. 1979.

roots constitutional reform and would do nothing to facilitate it. As California Democrat Don Edwards, chair of the House's civil and constitutional rights subcommittee, admitted: "Anything that encourages this sort of utilization of Article V is unwise."<sup>22</sup>

The substance of the proposed amendment also came in for condemnation. Many legal scholars argued that as the embodiment of fundamental law, the Constitution should deal only with the general powers of government and the rights of the people. In their view, making the Constitution the instrument of specific social or economic policies would politicize it, so weakening its legitimacy when the cycle of opinion turned against such measures. According to Lawrence Tribe, Amendment XVIII that had mandated Prohibition in the 1920s prefaced the dangers of a balanced-budget amendment. Neither expressed "the sorts of broad and enduring ideals to which both the Constitution and the country can be committed – not just over a decade or two, but for centuries."<sup>23</sup> While highlighting such opinions, the media largely ignored the counter-argument that a balanced-budget amendment would circumscribe governmental power to borrow and thereby uphold the right of future generations of citizens to be protected from an inheritance of massive debt. Moreover, there was widespread skepticism that a workable amendment could be drafted. Representative Robert Giaimo of Connecticut, chair of the House Budget Committee, scoffed that the measure would require "so many escape clauses it would be a sieve...you'd be fooling yourself with an amendment like that." Economists, ranging from Keynesians like Gardiner Ackley to conservatives like Milton Friedman, were almost unanimous in adjudging a constitutional ban on red ink both unenforceable and irrational. Despite his jeremiads about the inflationary effects of deficits when Gerald Ford's CEA chairman, Alan Greenspan contended: "[B]alancing the budget, year in, year out...is technically infeasible. I do not really know any responsible economist who would see it otherwise."<sup>24</sup>

Nevertheless the Washington establishment was not as solid as it once had been in opposition to a balanced-budget amendment. Concern about

<sup>22</sup> *Congressional Record* [CR], 125 (1979), 3159; "Constitutional Convention Poses Questions," *CQWR*, 37, 17 Feb. 1979, 275.

<sup>23</sup> Lawrence Tribe, "A 'Balanced Budget' Constitutional Convention," enclosed in Larry Tribe to Tim Kraft, 17 Jan. 1979, Staff Secretary's File – Presidential Handwriting File [SSF-PHF], Box 119, Jimmy Carter Library [JCL].

<sup>24</sup> "Balance-the-Budget Boom," *Newsweek*, 12 Feb. 1979, 34; Milton Friedman, "Jerry Brown's Kiss of Death," *ibid.*, 26 Mar. 1979; "Brown v. the Board," *Time*, 5 Mar. 1979, 39.

the large deficits incurred in the second half of the 1970s had resulted in an upsurge of support for such a measure among rank-and-file congressmen of both parties, especially in the House of Representatives. A majority of Republicans – including 103 of the total House complement – were in the pro-amendment camp. On the Democratic side, support was strongest among conservative southerners – notably the 43 members of the House Democratic Research Organization – but some liberals, including Senator William Proxmire of Wisconsin and Representative Andy Jacobs of Indiana, also favored an amendment. However, the cause lacked coherence and consistency within Congress until news of the convention juggernaut approaching the Capitol gave it urgency. At least nine amendment proposals had been introduced into the legislature, but these differed in detail about the emergency conditions when deficits would be allowed, what congressional majority would be required to approve deficits in these circumstances and whether balanced-budget requirements should be linked to limitations on taxing, spending or the national debt. Moreover, many pro-amendment congressmen within both parties had introduced other measures designed either to increase spending on programs they favored or to reduce taxes. Aside from optimistic references to the salve of economic growth, there had hardly been any debate about how a mandatory balanced budget would actually be achieved.<sup>25</sup>

On the Republican side, the lack of focus partly reflected divisions among congressional leaders about the need for a balanced-budget amendment. Senate chiefs backed the measure but their House counterparts regarded it as inflexible and unworkable. Heightened awareness of the grass-roots campaign soon bred unity within GOP ranks that would endure for the next two decades. Compelled to treat the balanced-budget amendment as a serious issue, Republican congressmen and senior party figures met at Easton, Maryland, in February 1979, in an effort to thrash out a common position. National Committee Chairman Bill Brock, House Minority Leader John J. Rhodes of Arizona and Representative Barber Conable of New York, ranking Republican on the Ways and Means Committee, spearheaded opposition to the measure. They were supported by supply-side conservatives like Representative Jack Kemp of New York and Senator James McClure of Idaho, who feared that mandatory

<sup>25</sup> “Congress Seeks Handle on Spending Restraint Issue,” *CQWR*, 17 Feb. 1979, 268–69; Congressman Bob Krueger of Texas to Jimmy Carter, 6 Oct. 1978, SSF-PHF, Box 105, JCL; *Washington Post*, 7 Feb. and 26 March, 1979.

balanced budgets would require increased taxes. However, a quarter of those present backed a proposal by Representative Clarence J. Brown of Ohio that committed the congressional GOP to support an amendment requiring the budget to be balanced except in times of national emergency. This group had two main concerns. Some feared that the party would lose credibility if it failed to identify with grass-roots demand for an amendment before the convention movement compelled adoption of the measure. According to freshman congressman Newt Gingrich of Georgia, the states were “inch by inch, moving us into a trap.” Others worried that the Democrats would steal their party’s colors because of Jerry Brown’s intervention. The conference finally adopted a compromise resolution calling on Congress to propose a constitutional amendment to ban federal spending increases in excess of GNP growth, but this proved a temporary expedient. On March 20, the House Republican Policy Committee bowed to majority opinion within the party by announcing support for a balanced-budget amendment. All but one of the GOP presidential aspirants were also singing the same song: the sole exception was George Bush who later became a true believer as the price of being drafted as Ronald Reagan’s running-mate in 1980.<sup>26</sup>

On the other hand, there was little support among either the congressional or presidential wing of the Republican party for a constitutional convention if Congress failed to act. Fear that such a gathering would be uncontrollable was too strong. The sole dissenter within the GOP hierarchy was Senator Robert Dole of Kansas, the 1976 vice-presidential candidate and the first politician of national stature to back the convention movement. On 7 June 1978, the day after Californians approved Proposition 13, he sent a letter to all fifty state governors urging their support for a balanced-budget amendment convention as the best means of halting the spiral of federal taxes. This initiative proved a damp squib that attracted hardly any media interest, largely because Dole made no effort to publicize it, and even the NTU remained ignorant of his views.<sup>27</sup> The Kansan was ill-equipped to exploit the issue when it finally gained prominence. Brown’s maverick nature allowed him to make a virtue of acting outside the political mainstream, but Dole was too tied to the party establishment to hitch his presidential ambitions to the grass-roots movement.

By contrast, Democratic leaders were implacably opposed to both a

<sup>26</sup> *New York Times*, 5 Feb. and 21 Mar. 1979; *Washington Post*, 5 Feb. 1979.

<sup>27</sup> *CR*, 124 (1978), 16472; *Washington Post*, 5 Feb. 1979.

balanced-budget amendment and a constitutional convention. The grass-roots movement had anticipated such a response from the party's congressional hierarchy but Jimmy Carter's antagonism was less predictable. As Georgia's former governor, he was accustomed to operating under a constitutional prohibition of deficits. Propelled to national office by the same anti-establishment impulse that drove the convention campaign, he had promised the American people in his inaugural address as president "to stay close to you, to be worthy of you, and to exemplify what you are."<sup>28</sup> Finally, one of the principal goals of his administration was to balance the budget in the cause of good government. Having made an issue of Gerald Ford's record deficits in the 1976 election, Carter had pledged to get federal finances into the black by the end of his first term. The intensification of inflationary trends in 1978 strengthened his determination to fulfil this promise. The FY 1980 executive budget plan, which the administration acknowledged was "the most constrained budget in years," planned to get the deficit below \$30 billion, a projected reduction in real terms of nearly one-third below the FY 1979 level.<sup>29</sup>

Nevertheless, Carter's opposition to the movement was wholly consistent with his presidential project. His desire for proximity with the people did not entail being supine to popular opinion. He had promised "a government as good as its people" but he also felt a moral obligation as president to save the people from their own folly when necessary. The prime example of this was his determination to rescue Americans from their wasteful, self-indulgent habits of energy consumption and instill in them a discipline for conservation to help resolve the nation's energy problems. Carter's hostility to the balanced-budget amendment convention campaign was another instance of saving the people from themselves.

The president took seriously the danger that a runaway convention, manipulated by special interests and new right groups, might engage in wholesale constitutional change. "Spinechilling" was his terse comment after reading a memorandum from Lawrence Tribe about the lack of

<sup>28</sup> *Public Papers of the President of the United States: Jimmy Carter, 1977* (PPPUS: JC) (Washington D.C.: Government Printing Office, 1978), 10.

<sup>29</sup> James McIntyre and Frank Moore, Memorandum for the President: "White House Budget Task Force," 6 Dec. 1978, SSF-PHF, Box 111, JCL. For discussion of economic policy, see Anthony S. Campagna, *Economic Policy in the Carter Administration* (Westport, Conn.: Greenview Press, 1995), 35–112; and Iwan W. Morgan, *Deficit Government: Taxing and Spending in Modern America* (Chicago: Ivan Dee, 1995), 127–34.

procedural constraints to prevent this outcome.<sup>30</sup> Carter's technocratic ideals of leadership made him equally resistant to a balanced-budget amendment, whether mandated by convention or Congress. As president, he sought to promote a new politics that downplayed partisan calculation, rose above interest group demands, and relied on experts and competent, disinterested office-holders like himself to make public policy in the national interest. In a rapidly changing world, he told voters in 1976, America's political leaders needed to understand "what is going to occur inexorably and inevitably... and what options we have open to us. We need to have analyses made by complicated procedures using electronic data processing, computer models, so that we can see the interrelationship between foreign trade, the quality of the ocean, environmental deterioration, utilization of energy, the wasting of commodities."<sup>31</sup> The expert opinion so valued by Carter was almost wholly unanimous in condemning the balanced-budget amendment as antithetical to the nation's interests. CEA chairman Charles Schultze produced a detailed critique arguing that the measure would deprive the president of an essential fiscal instrument to manage the economy. Using econometric models, he calculated that without deficit spending to counter the previous recession, GNP would have declined by a catastrophic 12 percent between 1973 and 1975, instead of 2.5 percent as actually occurred, while the core inflation rate would have fallen by just one percent. The Keynesian network of top university professors reinforced the message that an amendment ran counter to the rational doctrines of economic science. Paul Samuelson of the Massachusetts Institute of Technology warned: "Analysis shows how illusory it is to dream that there is some middle ground of constitutional formulation, which will enable our people to have their cake and eat it too."<sup>32</sup>

Carter's obligations as party leader, which often conflicted with his technocratic outlook, reinforced his stand on this issue. Conventional portrayals depict him as a political novice who did not understand that party government was essential to get things done in Washington, but

<sup>30</sup> Carter to Griffin Bell, undated comment attached to Tribe, "A 'Balanced Budget' Constitutional Convention," 17 Jan. 1979, SSF-PHF, Box 120, JCL.

<sup>31</sup> *The Presidential Campaign 1976, Vol. 1, Part 1: Jimmy Carter* (Washington D.C.: Government Printing Office, 1978), 45. For discussion of Carter's leadership vision, see John Dumbrell, *The Carter Presidency: A Re-Evaluation* (Manchester University Press, 1993), 1-4, 29-62.

<sup>32</sup> Charles Schultze, "Some Social and Economic Effects of a Constitutional Amendment Mandating a Balanced Federal Budget," 15 Feb., 1979, James McIntyre Collection, Box 1, JCL; "Proposals for a Constitutional Convention to Require a Balanced Federal Budget," *AEI Economist*, 7 (April 1979), 5.

recent scholarship suggests that this criticism is wide of the mark. In particular, Stephen Skowronek's study of presidential history classifies Carter, along with Herbert Hoover, Franklin Pierce, and John Quincy Adams, as exemplifying "the politics of disjunction."<sup>33</sup> Each of these presidents was affiliated to a longstanding political regime whose established commitments had lost credibility as solutions to the problems of the times. Unable to affirm these commitments because of their current irrelevance but also unable to repudiate them for fear of alienating his natural allies, the late-regime affiliate tended to fall back on the "reification of technique", in other words, an emphasis on competence, administration and procedure, to get things done. Carter assumed office when the New Deal order was showing signs of terminal decay. As Skowronek puts it, he was "a nominal affiliate of a vulnerable regime projecting a place in history in which liberalism would prove its vitality through hard-nosed readjustment of its operating assumptions."<sup>34</sup> In Carter's credo government ought to help the underprivileged but live within its means and recognize that it could not solve all of society's problems. Thanks to the powers of the modern presidency, he went much further than his late-regime predecessors in pressing the case for technical competence towards the point of regime reconstruction in the sense that his policies prefaced those of the Clinton-era "new Democrats." Nevertheless, lacking a compelling new vision in the manner of Franklin D. Roosevelt or Ronald Reagan because of his reliance on technique, there were limits to what he could do. Ultimately Carter could not remake his party, nor could he stand alone from it, so he needed to demonstrate affiliation to its cause on suitable issues, which were usually emblematic rather than substantive in nature. Opposition to a balanced-budget amendment allowed him to engage in a symbolic form of Keynesianism at the same time as he was scaling back spending on domestic programs and prioritizing a cure for inflation over unemployment.

As the 1978 midterm Democratic convention in Memphis had shown, the administration's austerity budget had angered many liberals still committed to the party's habitual emphasis on jobs, welfare and economic growth. Core Democratic constituencies, notably organized labor, racial minorities, and big-city mayors, also worried about the impact of spending cutbacks on social programs. According to Alfred Kahn, Presidential Adviser on Inflation, there were "*major substantive dis-*

<sup>33</sup> Stephen Skowronek, *The Politics Presidents Make: Leadership from John Adams to George Bush* (Cambridge, Mass.: Belknap Press, 1993), 39–41, 361–406.

<sup>34</sup> *Ibid.*, 362.

*agreements*” between the administration and the AFL-CIO over economic policy. Relations with black groups were even worse. The Congressional Black Caucus was highly critical of the administration’s tepid support for the Humphrey-Hawkins full employment bill, which was emasculated prior to enactment in 1978, and castigated the FY 1980 budget as “unjust and immoral” in its treatment of the poor and disadvantaged.<sup>35</sup> Nevertheless, these constituencies also regarded the balanced-budget amendment as a fundamental threat to their interests, so the White House could mend some fences by joining them in common opposition to this measure. Equally important, Carter would not compromise his position on the actual budget in doing so. As his senior staff observed, “There will be few other opportunities in the coming year when we will be able to work in union with the basic Democratic constituency *without spending money*.”<sup>36</sup>

On the other hand opposition to a balanced-budget amendment was not risk-free for Carter. In the weeks after Jerry Brown’s endorsement, the convention movement sustained its momentum by winning amendment resolutions in four more states. Its most significant victory was in Iowa, which held a more intensive debate on the issue than any other state. In spite of bipartisan opposition, including Republican governor Robert D. Ray, convention supporters were better organized and narrowly carried the day. This outcome convinced many pundits that the movement was unstoppable. It now seemed probable that the amendment would be proposed either by a convention or by Congress regardless of administration opposition. If that happened, Carter would be regarded as having suffered a serious personal defeat and would have little influence over the actual terms of the amendment. Also, opposition to the measure could harm the president’s reputation in the eyes of the public for fiscal

<sup>35</sup> Alfred Kahn, Memorandum for the President, 6 Dec. 1978, “A Meeting with George Meany,” SSF-PHF, Box 111, JCL; “Congressional Black Caucus Statement on Economic Policy,” 19 Jan. 1979, copy in Staff Office Files – Louis Martin [SOF-Martin], Box 15, JCL.

<sup>36</sup> The Senior Staff, Memorandum to the President, “Constitutional Convention/Balanced Budget Amendment,” 17 Feb. 1979, SSF-PHF, Box 120, JCL, 21. The unions were especially hostile to the balanced-budget amendment convention both on economic grounds and out of concern that the Constitution could be fundamentally rewritten. AFL-CIO president George Meany urged all state federations and local councils to oppose it as “a very dangerous right-wing legislative threat.” See *New York Times*, 26 Jan. 1979. In private meetings with black groups in early 1979, Carter strongly emphasized his opposition to the convention and amendment, depicting them as “aimed in large part at removing and/or reducing programs for the disadvantaged.” See Frank Moore to the President, “Meeting with the Congressional Black Caucus,” 27 Feb. 1979, SOF-Martin, Box 22, JCL.

prudence, despite his politically costly struggle to reduce the federal deficit. There was further danger that Carter's intervention would enhance Brown's credibility as a national leader because, aides counselled, he "will be seen as having forced you to make *his* issue one of *your* priorities."<sup>37</sup>

A task group of senior advisers headed by Richard Moe, Vice-President Walter Mondale's chief of staff, devised a strategy to avoid these pitfalls. It recommended that the administration seize "the last best chance" to stop the convention movement but avoid open confrontation with it by organizing and encouraging the opposition of others. To guard against the consequences of defeat, the White House would not wage "an all-out campaign, to be won at any cost." Mondale, rather than Carter, would act as its principal spokesman on the issue. Others outside the administration, notably members of Congress and state government officials, would be encouraged to play a prominent role. Most significantly, presidential aide Anne Wexler was to work with the administration's interest-group contacts to form an anti-convention coalition of business, labor, blacks, state and local organizations, and women's groups that became known as Citizens for the Constitution. Led by Thomas P. O'Neill III, lieutenant governor of Massachusetts and son of the Speaker of the U.S. House of Representatives, this body played a key role in forestalling the convention drive. As Moe later acknowledged, "It was one of our primary goals... to get such a group established so that the effort could largely be removed from the White House, and that has been accomplished beyond our expectations."<sup>38</sup> The task group further recommended that the president should continue "repeatedly and forcefully emphasizing your commitment to balance the budget in the context of a campaign *against* the amendment." This would cast him as a leader who had already made great progress in reducing the deficit without a constitutional obligation. The administration would also eschew economic debate about the virtues of a balanced budget amendment and "make the issue appear to be one of protecting the Constitution from pure political gimmickry."<sup>39</sup>

Though Carter accepted this plan of action, he was determined to avoid any appearance of defending budget-busting by big government. For this reason, aides could not persuade him to give one major address opposing

<sup>37</sup> *New York Times*, 2 and 10 Feb. 1979; The Senior Staff, "Constitutional Convention/Balanced Budget Amendment," 22-23.

<sup>38</sup> *Ibid.*, 18-19; Moe, Memorandum for the President, "Status Report on Constitutional Convention Effort," 30 May 1979, and Carter to Tommy O'Neill, 31 May 1979, SSF-PHF, Box 134, JCL.

<sup>39</sup> The Senior Staff, "Constitutional Convention/Balanced Budget Amendment," 21, 12.

a balanced-budget amendment. In particular, he refused to make such a speech during a planned visit to California for fear that this would give Brown cause to lambast him in return as an advocate of deficits-as-usual. Instead, his public involvement in the counter-campaign was confined to press-conference remarks emphasizing the dangers of a runaway convention and an open letter on the same theme to Ohio Assembly Speaker Vern Riffe urging Buckeye state legislators to reject a convention resolution.<sup>40</sup>

By the time the administration's counter-campaign got going, however, two other developments had already slowed the momentum of the convention movement. Defeat in California, the result of political rifts and personal rivalries among state Democrats, constituted its first significant setback in any state. Already angered by Brown's change of heart over Proposition 13, liberals were aghast at his support for the constitutional convention. Assembly Speaker Leo McCarthy, who detested Brown, saw his chance to gain their support for his 1982 gubernatorial ambitions. He had already laid the ground for this in 1978 by ordering chairman Dan Boatright not to send for Assembly consideration the convention resolution that had been reported out by the Ways and Means committee. In 1979, Boatright changed sides, claiming the measure had such strong public support that committee Democrats would approve it "no matter if the Speaker would break both their arms," but McCarthy's political clout ensured that no-one else broke ranks. Instead of calling for a convention, Ways and Means adopted the Speaker's token resolution urging Congress to balance the budget by FY 1983. This was a severe blow to Brown's hope of promoting his presidential candidacy as the governor of the state that had launched the tax revolt and consolidated the budget revolt.<sup>41</sup>

Meanwhile Democratic congressmen hit back at the convention movement in advance of the White House. One avenue open to them was to challenge state resolutions on grounds of technical shortcomings. Government lawyers contended that only twelve were legally binding; the others were deemed invalid because they were conditional – Congress was requested to call a convention only if it refused to propose an amendment of its own volition. However, Speaker O'Neill and Senator Edward Kennedy of Massachusetts, chair of the Senate Judiciary

<sup>40</sup> The Senior Staff, Memorandum for the President, "California Speech," 23 Feb. 1979, SSF-PHF, Box 121; *PPPUS:JC* (1979), 57–58, 562–63.

<sup>41</sup> Les Francis to Frank Moore, Memorandum "The President's Meeting with Congressman Henry Waxman," 13 Feb. 1979, SSF-PHF, Box 120; *New York Times*, 27 Jan. 1979; *Los Angeles Times*, 23 Feb. 1979; *Washington Post*, 23 Feb. 1979; author's telephone interview with David Keating, 20 Nov. 1996.

Committee, counselled that such legalistic challenges would be interpreted as a snub to the constitutional prerogatives of the states.<sup>42</sup> A more promising approach was to remind the states about what they might lose if spending was cut to balance the budget. In a widely publicized speech at the National Press Club on 13 February, Edmund Muskie affirmed that federal grants to the states would be most vulnerable to retrenchment since there was no scope for cutting programs like defense and social security. “That’s not a threat,” he claimed, “it’s a matter of arithmetic. We could save \$31 billion – \$2 billion more than President Carter’s projected deficit – merely by killing revenue-sharing, educational grants, sewer construction, block grants and the jobs program.” Copies of this address, which Muskie repeated to the National Conference of State Legislators, were also mailed to 7,500 state office-holders. Meanwhile Speaker O’Neill delegated Representative Dave Obey of Wisconsin to warn every state governor by letter of the likely effects of a balanced-budget amendment on federal grants-in-aid. Other Democratic congressmen predicted that grants to states and localities would have to be cut back to their FY 1975 level, while Senator Lloyd Bentsen of Texas introduced a bill to abolish the revenue-sharing program.<sup>43</sup>

These warnings were intended for the National Governors Association (NGA), which met in conference in Washington in late February. Brown hoped to re-establish himself as the messiah of the balanced-budget faith by winning its endorsement of a convention. But having shown scant regard for the NGA in the past, he lacked influence to rally fellow governors to stand firm against congressional bullying. Also, several well-respected governors, including Republican James Thompson of Illinois and Democrat Bruce Babbitt of Arizona, spoke against a balanced-budget amendment as simplistic and impractical. In these circumstances the NGA merely reasserted existing policy by calling on Congress to balance the budget in the next fiscal year. Most of the governors attending the conference then lobbied Congress to hold revenue-sharing funds at current levels in FY 1980. The wily Bentsen took full advantage of such inconsistency. Despite withdrawing his proposal to abolish revenue-sharing, he embarrassed governors who testified before his Joint Economic Committee by repeatedly asking which federal programs should be cut to meet the NGA’s balanced-budget resolution. Noting that

<sup>42</sup> *New York Times*, 7 Feb. and 2 March 1979; *Washington Post*, 25 Feb. 1979.

<sup>43</sup> *Washington Post*, 14 and 25 Feb. 1979; *Los Angeles Times*, 27 Mar. 1979; *New York Times*, 19 Feb. 1979.

the states needed federal grants to preserve their much vaunted fiscal integrity, he complained: “You are keeping your operations in the black at the expense of the federal government.”<sup>44</sup>

Brown’s star fell quickly after these two setbacks. The transparency of his political ambitions, tolerable so long as they appeared to be an asset to the cause, now counted against him with true believers. His efforts to promote his own agenda were also chaotic, often to the detriment of the better-organized NTU campaign, and his plans for a national balanced-budget committee never got off the ground. A fiasco in New Hampshire in April provoked an open rift with NTU leaders: although the state legislature approved a convention resolution, Brown abruptly canceled his scheduled testimony before a joint legislative committee when Republicans exploited this to embarrass the Democratic governor, Hugh Gallen.<sup>45</sup>

New Hampshire was the convention movement’s last success during the Carter era. By the spring of 1979, the Citizens for the Constitution group was operating to good effect. Convention resolutions were defeated, as expected, in West Virginia, Ohio, and Massachusetts, and more surprisingly in Missouri, Minnesota and Montana. A conservative western state, Montana had been considered certain to support a convention, but its Senate rejected the proposal by a wide margin of 31 votes to 18. The NTU now faced well organized opponents who publically lobbied state politicians about the dangers of an uncontrollable convention and spelled out in private the financial consequences of spending retrenchment to achieve a balanced budget. Its counter-claims that the Citizens for the Constitution coalition was composed of groups “who benefit from inflationary deficit spending” carried far less weight. Greater media coverage also worked against the convention movement: Ohio State Senator William Bowen commented, “It was one thing when you could just pass the thing and send it off to Washington with nobody looking. But now the newspapers are watching, you’ve got to have hearings. Everybody’s more careful when this comes up in a legislature now.” The convention movement suffered further defeat within the National Conference of State Legislators: faced with strong resistance from north-eastern delegates, who feared the loss of federal urban aid, Jason Boe could not gain the endorsement of the organization he led even

<sup>44</sup> *Washington Post*, 27 Feb. and 1 Mar. 1979.

<sup>45</sup> *New York Times*, 3 Apr. 1979; “The Pop Politics of Jerry Brown,” *Newsweek*, 23 Apr. 1979, 26, 35.

for a mild resolution asking Congress to establish procedures for holding a constitutional convention.<sup>46</sup>

The convention movement never regained momentum after these reverses, but it had made its mark on American politics.<sup>47</sup> The balanced-budget amendment campaign lost relevance at state level as a result of its enhanced significance at national level. A historic breakthrough occurred on 18 December, 1979 when the Senate Constitution subcommittee voted to approve a balanced-budget amendment. Although Democrats on the full Judiciary Committee rallied to overturn this recommendation by a single vote in the following March, the setback was temporary. In the 1980 election Ronald Reagan echoed the convention movement in depicting deficits as the symbol of undisciplined and uncontrolled government. The coat-tail effects of his landslide victory on GOP strength in Congress also benefited the amendment cause. In 1982, both chambers of the legislature approved the measure but the Democrat-controlled House fell short of the two-thirds majority delivered by the Republican-led Senate. Reagan's insistence on preserving his tax cuts and defense increases in the face of mounting deficits undercut further Republican efforts to enact the amendment. Instead, the two parties brokered an uneasy compromise to control the deficit and reduce it in tranches, but the dubious efficacy of this approach was underlined by the renewed budgetary crisis of the early 1990s. This failure inevitably strengthened the hand of balanced-budget amendment supporters. In resisting them, President Bill Clinton employed the same argument as Jimmy Carter that the measure would hamstring management of the economy. Despite the Republican takeover of Congress after a landslide victory in the 1994 midterm elections, the steady reduction of the deficit under the impetus of economic growth enabled the administration to rally just enough votes to block the proposed amendment on three occasions. Nevertheless, failure to deliver the balanced budget promised for FY 1999 or the widely

<sup>46</sup> *Los Angeles Times*, 6 Mar. 1979; *New York Times*, 21 Mar. 1979; *San Francisco Chronicle*, 23 Mar. and 24 June, 1979; *Washington Post*, 5 Mar. 1979.

<sup>47</sup> In spite of spiraling Reagan-era deficits, only Alaska in 1982 and Missouri in 1983 joined the ranks of convention petitioners. Moreover campaigns to rescind petitions were successful in Alabama and Florida in 1988 and in Louisiana in 1990, leaving only twenty-nine states in support of the cause. The predominant obstacle to success in the 1980s remained the fear of a runaway convention. The bicentenary of the US Constitution heightened concern to preserve the nation's supreme law, even among right-wing organizations like the John Birch Society and Eagle Forum. See Caplan, *Constitutional Brinkmanship*, 83–89; and James Davidson, "Response to Lane Kirkland and Phyllis Schlafly: Convention Best Route to a Balanced Budget," *Dollars & Sense*, 16 (Feb. 1985), 6–8.

predicted renewal of the deficit crisis as demographic factors push up social security payments in the early years of the next century may well make the amendment cause irresistible.<sup>48</sup>

Of course, it is by no means certain that a balanced-budget amendment is workable but rational criticism of the measure became increasingly difficult and unpopular in the context of the monster deficits of the 1980s and 1990s. In some respects it could be argued that critics of the measure missed an earlier opportunity to promote their cause in opposition to the convention movement of the late 1970s. According to Bruce Ackerman, America offers the possibility of “dualist democracy,” whereby constitutional decisions can be made either by the people or by their government. Decisions by the people occur rarely and under special conditions. Before gaining authority to make supreme law in “the People’s” name, a movement must: convince “an extraordinary number” of their fellow citizens to take their cause “with a seriousness they do not normally accord to politics”; allow their opponents a fair opportunity to marshal their own counter-arguments; and convince a majority of citizens to support their initiative as its merits are repeatedly discussed.<sup>49</sup> In battling the convention movement, however, the Carter administration eschewed substantive debate about a balanced-budget amendment to employ scare tactics about radical constitutional surgery which ignored the safeguards of the ratification process and drew false comparisons between 1787 and 1979. As a result, it succeeded only in undermining the legitimacy of a convention but not the amendment itself. A president more committed to his party’s traditions might have made more effort to challenge the assumption that deficits rather than rising energy and commodity prices and declining business productivity were the source of runaway inflation, to explain that deficits were a necessary antidote to economic stagnation, and to publicize the problems of a balanced-budget amendment.

In bypassing the normal processes of American politics, the constitutional convention campaign transformed the balanced-budget amendment from a crankish cause to a mainstream matter well in advance of the fiscal crises of the 1980s and 1990s. The unconventional politics of the convention campaign was also a powerful manifestation of popular disillusion with the nation’s political establishment in the 1970s. In something of a political paradox, the movement’s demand for a

<sup>48</sup> James Savage, *Balanced Budgets and American Politics* (Ithaca, NY: Cornell University Press, 1988), 203–4, 217–18; Morgan, *Deficit Government*, 148–92; *The Guardian*, 13 Jan. 1998.

<sup>49</sup> Ackerman, *We the People*, 6–7.

convention was largely thwarted by a president who had himself run against Washington to win office. Jimmy Carter's handling of the issue encapsulated the basic problem of his presidency, one that he never resolved. Though keen to abandon the old politics, his effort to blend technocratic competence and populism did not provide a successful formula for a new politics. Carter's emphasis on the dangers of a rogue convention contrasted significantly with the tactics of the Democratic congressional leadership, whose warnings to the states about the impact of a balanced-budget amendment on domestic programs were consistent with the party's New Deal tradition. His scaremongering strategy also underlined the limitations of his presidential project to heal the divisions between Americans and their government. As Senator Gary Hart of Colorado observed: "It's a sorry state of affairs when the American people are demanding a constitutional convention because they don't trust us, and we are saying 'No, you can't have one because we don't trust you.'"<sup>50</sup>

<sup>50</sup> *New York Times*, 13 Mar. 1979.