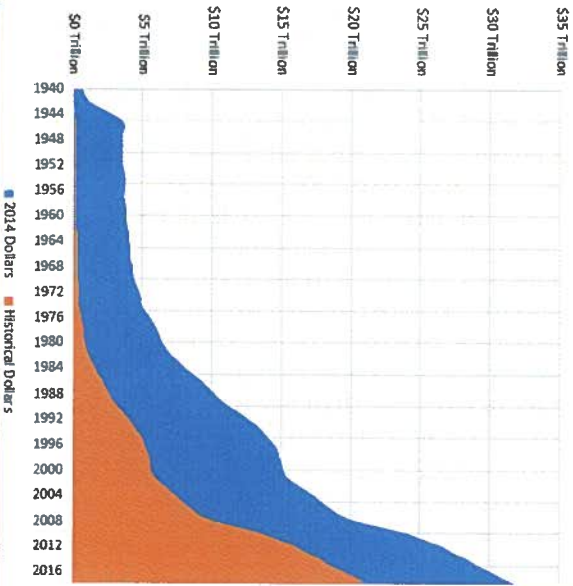


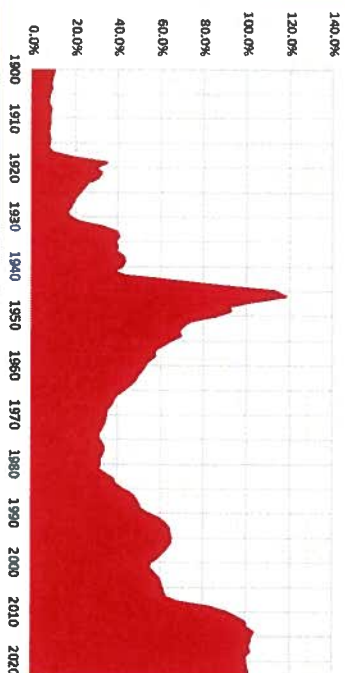
WHY “COMPACT” FOR A BALANCED BUDGET?

• CERTAINTY
• SAFETY
• SPEED

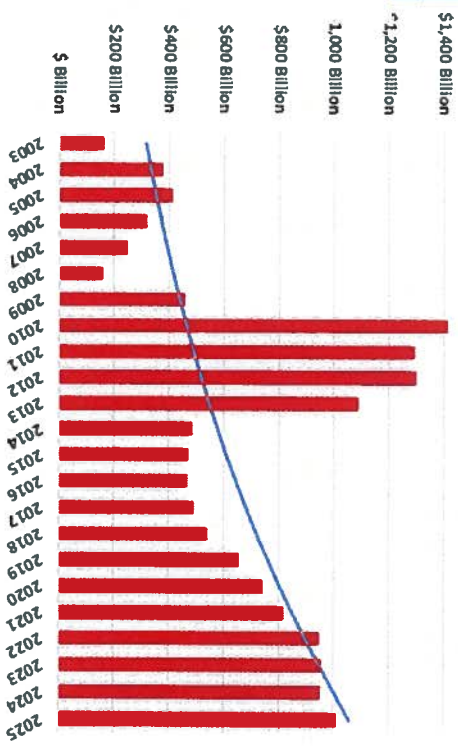
The Growth of the Federal Debt Since 1940



U.S. Historical Debt as a Percentage of GDP

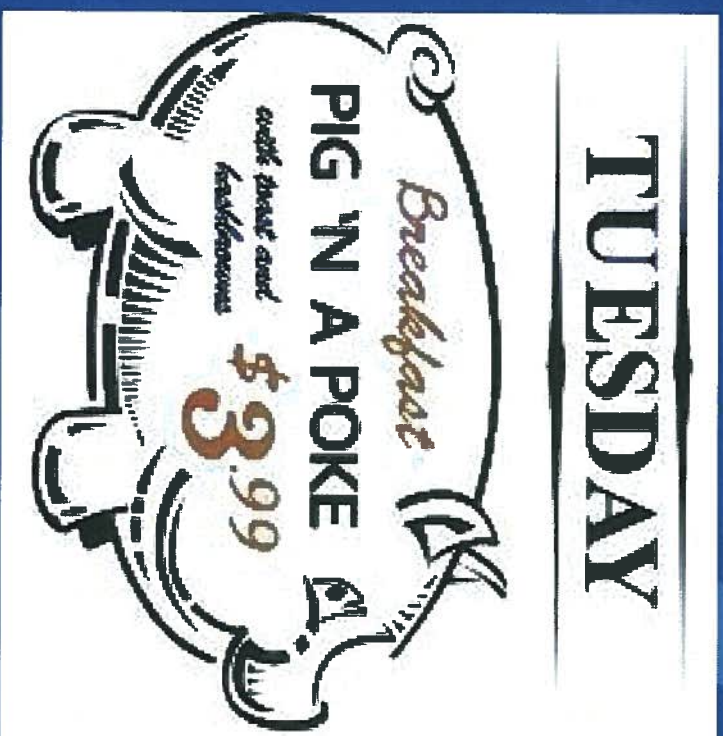


U.S. Annual Deficits Since 2002



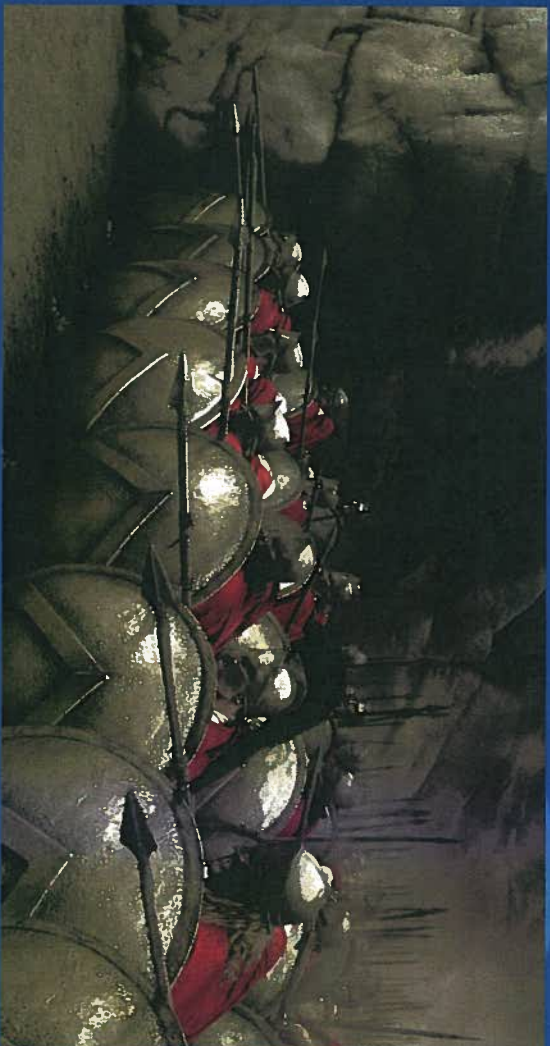
PROBLEM OF CERTAINTY

TUESDAY



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THE BALANCED BUDGET AMENDMENT



- **DEBT LIMIT**
 - Spending restricted to cash flow and line of credit.
 - line of credit is a specific amount.
 - Enforced by orderly and transparent impoundment.
- **EXTERNAL DISCIPLINE**
 - **State veto/approval.**
- **TAX LIMIT**
 - Supermajority vote of Congress required for tax rate increases except for:
 - Consumption ("Fair") tax (w/no income tax).
 - Flat(ter) tax.
 - Tariffs (other).

POINT OF LEVERAGE

"I wish it were possible to obtain a single amendment to our constitution; I would be willing to depend on that alone for the reduction of the administration of our government to the genuine principles of its constitution. I mean an additional article taking from the federal government the power of borrowing."



STATES CAN DO IT

The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, ON the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as part of this Constitution, when ratified by the Legislatures of three fourths of the several States, or by Conventions in three fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress;

PROBLEM OF SAFETY



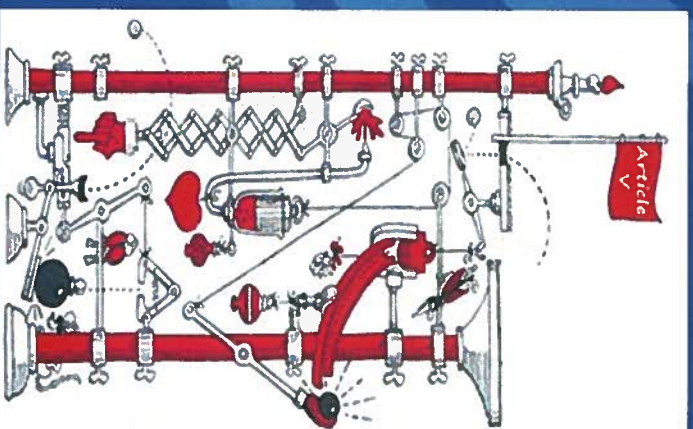
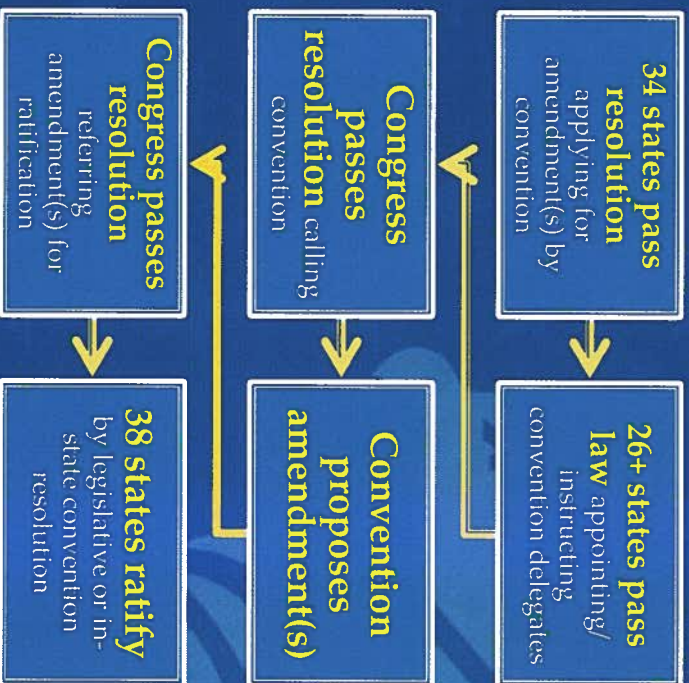
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SOLUTION

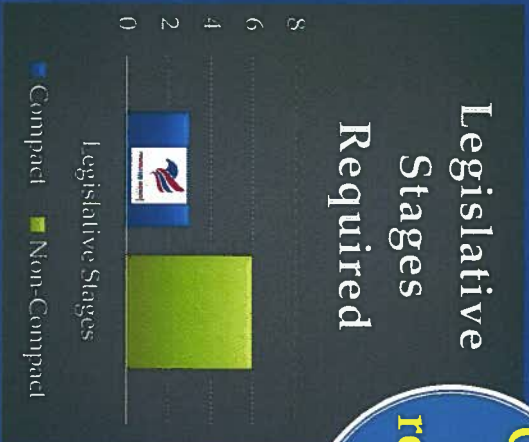
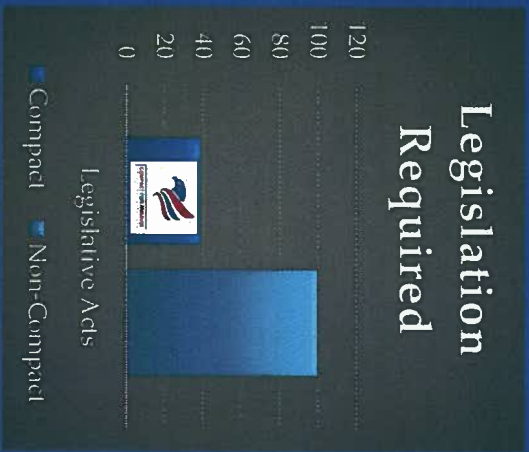
- **Fully Defined Process and Goal.**
 - Clear boundary lines.
 - Sunset provision.
- **Multiple kill-switches.**
 - Automatic disqualification of rogue delegates and states.
 - Prohibition of rogue convention & ratification of rogue proposals.
- **Universal enforcement.**
 - 5th Circuit & Texas State Courts.



PROBLEM OF SPEED



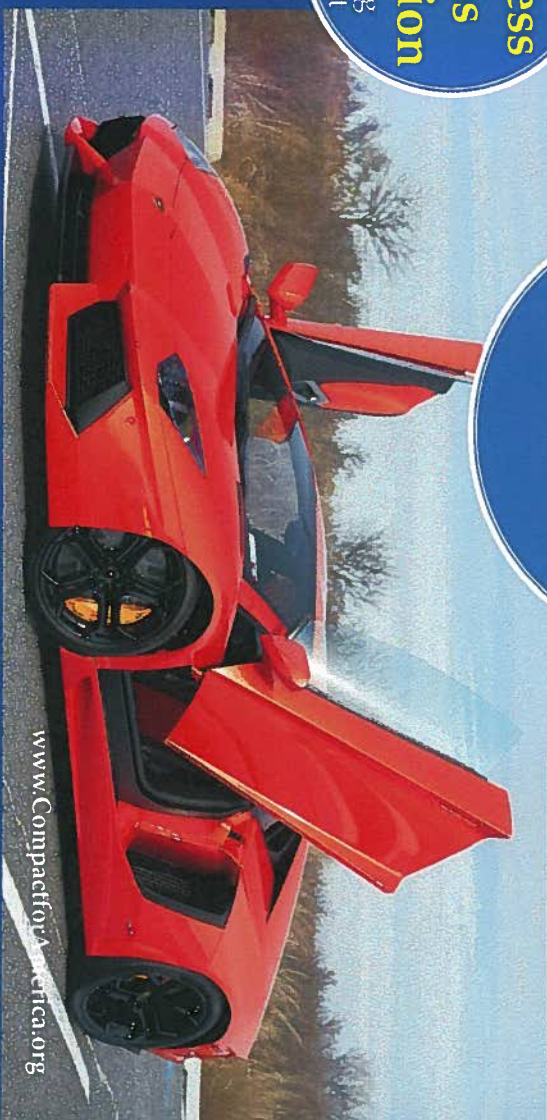
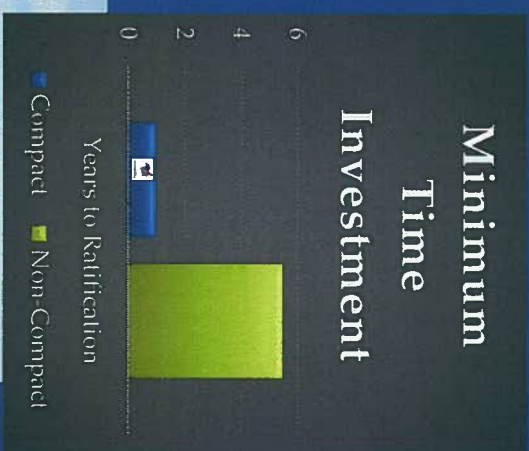
SOLUTION



38 states
pass bill
Joining Compact

Congress
passes
resolution
activating
Compact

Convention
proposes
Balanced Budget
Amendment



www.CompactforAmerica.org



LET'S GET 'EM DONE.

- Certainty
- Safety
- Speed



Convention of States

COMPACT FOR AMERICA

BBA Task Force

TACKLE EVERY PROBLEM

- 94+ state enactments
- 1 convention
- 2 congressional resolutions

Vetted, Poli-Tested Balanced Budget Amendment after:

- Only 34 state enactments
- One 24-hour convention
- 1 congressional resolution

HEDGE THE COMPACT

- 68 to 82+ state enactments
- 1 convention
- 2 congressional resolutions

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EXHIBIT A

Original text:

“The Congress . . . on the Application of two thirds of the Legislatures of the several States shall propose amendments”

- **THE APPLICATION WOULD SPECIFY THE AMENDMENT(S).**

Final text:

“The Congress . . . on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments”

- **NOTHING INDICATES “APPLICATION” CHANGED MEANING.**

EXHIBIT B

Federalist No. 43:

Article V: "equally enables the general and the State governments to originate the amendment of errors, as they may be pointed out by the experience on one side, or on the other."

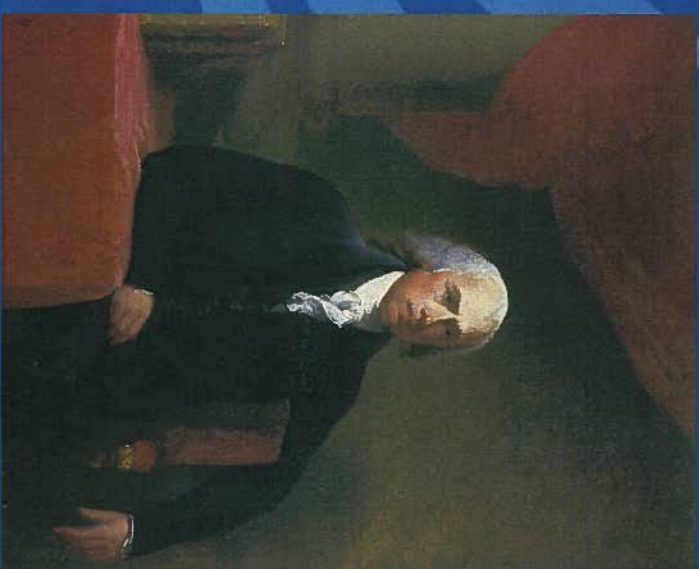


EXHIBIT C

Federalist No. 85:

- “**every amendment** to the Constitution, if once established, would be a **single proposition**, and might be **brought forward singly**. There would then be no necessity for management or compromise, in relation to any other point—no giving nor taking”
- “**nine**” states [two-thirds] would effect “alterations”
- “**nine**” states would effect “subsequent amendment” by setting “on foot the measure”
- “We may safely rely on the disposition of the **State legislatures to erect barriers** against the encroachments of the national authority”



EXHIBIT D

1788: "It should be remembered that a constitutional door is open for **such amendments** as shall be thought necessary **by** nine States."

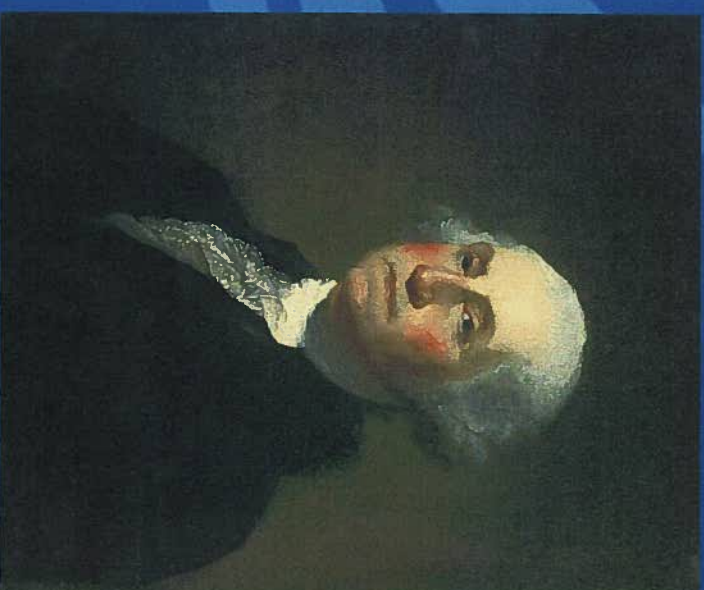


Exhibit E

"If two thirds of those legislatures require it, Congress must call a general convention, even though they dislike the proposed amendments . . . Three fourths of the states concurring will ensure any amendments, after the adoption of nine or more."

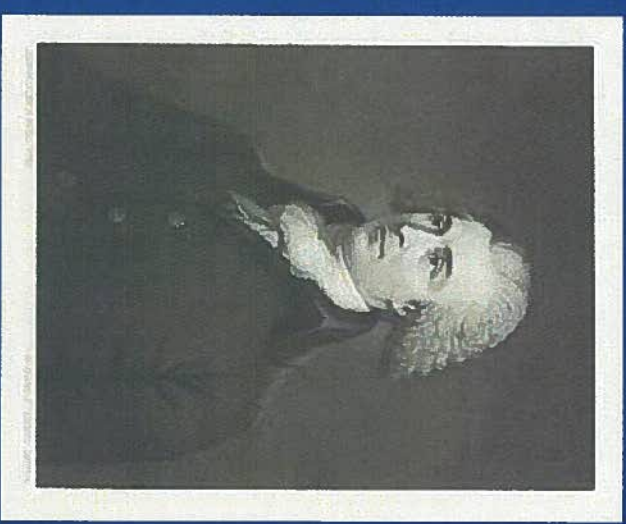


EXHIBIT F

On June 6, 1788, Patrick Henry raged against ratification at the Virginia convention.

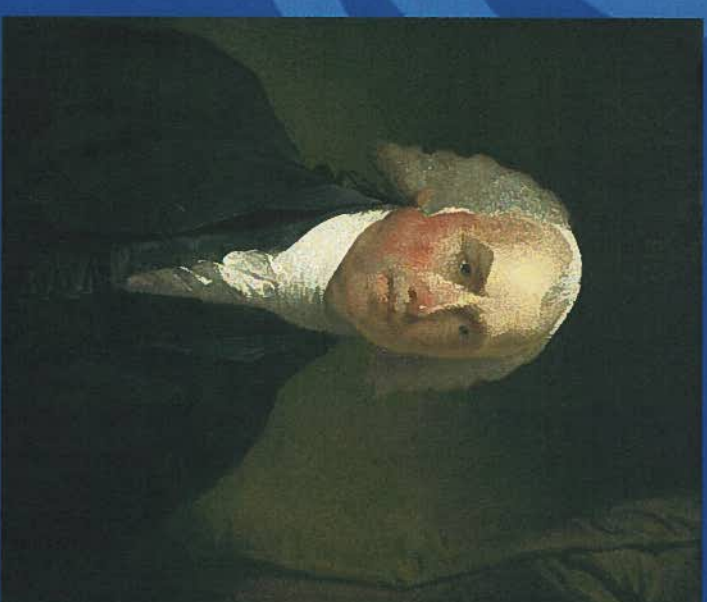
In response, leading Federalist, George Nicholas, observed that state legislatures may apply for an Article V convention confined to a “few points,” and that “it is natural to conclude that those States who will apply for calling the Convention, will concur in the ratification of the proposed amendments.”



Exhibit G

February 7, 1799 (James Madison):

States could ask their senators to propose an **“explanatory amendment”** clarifying that the Alien and Sedition Acts were unconstitutional, and also that two-thirds of the Legislatures of the states **“might, by an application to Congress, have obtained a Convention for the same object.”**



The Compact Approach to Article V

State Compact

- A2 Proposed amendment
- A4 Compact Commission
- A5 Application to Congress
- A6 Delegate appointment
- A7 Convention rules
- A8 Scope limitations
- A9 Ratification

Congressional Resolution

- s1 Call
- s2 Ratification referral

