



INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA – UAW



BOB KING, President

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VICE PRESIDENTS: JOE ASHTON • CINDY ESTRADA • GENERAL HOLIEFIELD • JIMMY SETTLES

IN REPLY REFER TO

November 15, 2011

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Dear Representative:

The House is scheduled to vote later this week on H.J.Res. 2, legislation proposing a balanced budget amendment (BBA) to the Constitution of the United States. The BBA would irresponsibly restrict the federal government's ability to respond effectively to economic downturns or to national disasters, and would force deep cuts to programs that Americans rely upon, specifically Social Security, Medicare, and Medicaid. The UAW firmly opposes the BBA and strongly urges you to vote against it.

Economists agree that the federal government plays a critical role in moderating the vicissitudes of the economy, and the UAW believes that action by Congress can be instrumental in pulling the nation out of a recession. Federal programs such as unemployment insurance, Medicaid, and the Supplemental Nutrition Assistance Program (formerly food stamps) experience much higher usage during economic recessions, serving as a social safety net and also as an effective stimulus to the economy. If the BBA were in place, however, these very programs would be on the chopping block in times of greatest need in order to balance the budget.

Macroeconomic Advisers, a well-respected private economic forecasting firm, recently performed an independent analysis of how a balanced budget amendment would affect today's economy if one were in place. Their analysis found that if the FY 2012 budget had to be balanced by spending cuts, it would *double* the current unemployment rate and would *shrink* our economy by 17 percent. This amply demonstrates that the BBA is a reckless policy and would have an extremely dangerous effect on the United States and its citizens.

Moreover, H.J.Res. 2 also would require a three-fifths supermajority vote of each chamber to increase the public debt ceiling. The brinksmanship that played out around the debt ceiling vote this past summer nearly caused the nation to default for the first time in our history. H.J.Res. 2 would exacerbate this situation by enabling a *minority* of elected officials to hold hostage the nation's economy in order to achieve unrelated legislative goals.

In summary, H.J.Res. 2 would be a dangerous change to our Constitution and to the democratic form of government it protects. It would substitute a know-nothing policy for the leadership and decision-making that Members of Congress are elected to provide their constituents, and would severely impede the nation's ability to withstand economic downturns. For these reasons, we strongly urge you to vote against H.J.Res. 2.

Sincerely,

Barbara Somson  
Legislative Director

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