



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

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IN REPLY REFER TO

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December 13, 2011

Dear Senator:

The Senate is expected to vote this week on competing balanced budget amendments to the U.S. Constitution. A balanced budget constitutional amendment would harm our fragile economic recovery and require deep cuts to programs that are critical to workers. The UAW strongly opposes any amendment to the U.S. Constitution requiring a balanced federal budget and urges you to vote against this irresponsible legislation.

By requiring a balanced budget every year, no matter the state of the economy, a constitutional amendment would require deep cuts to critical programs for working families, such as Medicare and Social Security. It would harm our economy by making it nearly impossible for the federal government to invest in education and infrastructure to put people back to work and strengthen our economy. A recent analysis by the respected economic forecasting firm, Macroeconomic Advisors, shows that if the provisions in S.J. Res. 10 had been in effect during the current fiscal year, they would have doubled the national unemployment rate and caused the U.S. economy to shrink by 17 percent.

S.J. Res. 10 introduced by Senator Hatch includes an 18 percent spending cap, preventing the federal government from spending more in any fiscal year than was received in revenues the previous fiscal year. In times of deep recession or following a natural disaster, it would prevent the federal government from adequately addressing the needs of displaced workers and communities through extended unemployment insurance benefits and food supplements, for example. A global spending cap would lead to increased unemployment and poverty. It would force unnecessary and detrimental cuts to Medicare, Social Security, and Medicaid, shredding the nation's social safety net. In fact, S J. Res.10 includes even more unnecessary and detrimental cuts to Medicare, Social Security, and Medicaid than the House-passed Ryan budget rejected by the Senate earlier this session.

S.J. Res. 10 would also require two-thirds of Congress to raise revenue and three-fifths of Congress to raise the debt ceiling. The higher threshold to raise taxes would make it nearly impossible to ensure that the wealthiest individuals and corporations pay their fair share and would, remarkably, even apply when Congress had declared war. The tax threshold would prevent Congress from enacting balanced policies and would inevitably lead to even greater spending cuts. It would reinforce growing economic inequality and jeopardize the ability of middle-class and low-income Americans to provide for their families.

The UAW also opposes **S.J. Res. 24**, introduced by Senator Mark Udall. S.J. Res. 24 is less draconian than S.J. Res. 10 and does not include the global spending cap. Nonetheless, S.J. Res. 24 still requires supermajorities for the federal government to spend more in one fiscal year than was received in the previous fiscal year. Such a requirement would allow a minority of

members to hamstring a Congressional response to a national financial collapse, natural disaster, or terrorist attack.

The UAW believes it is the role of government to help alleviate suffering, not to cause it. We strongly urge you to vote against a balanced budget constitutional amendment. We consider this a matter of the highest priority. Thank you for considering our views.

Sincerely,

A handwritten signature in cursive script that reads "Barbara Somson". The signature is written in dark ink and has a long, sweeping horizontal line extending to the right.

Barbara Somson
Legislative Director

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