

COUNSEL NOTES

From: Paul A. Restuccia
Date: December 17, 2015
Re: Reasons for a Third Budget Resolution

Summary. S. Con. Res. 10 (95th Congress) was the only “third budget resolution” adopted. Applicable to fiscal year 1977, it was designed to accommodate a stimulus bill proposed by the President. This hearing made reference to this stimulus bill and the Chairman of the Budget Committee (Giaimo) refers to it as the “Third Budget Resolution”, which it is commonly known as. This hearing was held on H. Con. Res. 195 (95th Congress), the budget resolution for fiscal year 1978.

House of Representatives
Hearings Before the Committee on Rules on H. Con. Res. 195
(95th Congress)
Monday, April 25, 1977

CHAIRMAN DELANEY.¹ Glad to hear from you Mr. Giaimo.

STATEMENT OF HON. ROBERT N. GIAIMO, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF
CONNECTICUT

MR. GIAIMO.² Thank you very much, Mr. Chairman, for this opportunity to appear before the Rules Committee. We are asking you to make in order an amendment, which we will want to offer when we take up the first budget resolution for fiscal year 1978, which is coming up tomorrow.

Now at that time it would not be germane to address ourselves to problems affecting the budget for fiscal year 1977.

You will recall that we passed the **third budget** resolution affecting fiscal year 1977 as a result of the necessity for a stimulus package, quote unquote.

The future of that stimulus package is somewhat in doubt. Parts of it certainly are, those dealing with the \$50 rebate, so to speak, and as a result of that, there is a reduction in revenue of \$7.3 billion in fiscal year 1977, plus an additional outlay for

rebates of \$3.2 billion, making a total of \$10.5 billion which is presently available in the fiscal year 1977 budget.

Now, as a result of the presidential decision and the decision in the Senate not to go along with the \$50 rebate, that available reduction in revenue, if you will, is sitting there. We do not think that is a healthy idea, to have it sitting there because we are afraid that people may get ideas of how they could add tax cuts along the way which would further reduce our revenues and would not have been done in a clear and carefully thought-out manner. We do not think these funds should be sitting in there, available in the **third budget resolution** for fiscal year 1977.

Therefore, my amendment would address itself to this problem and would provide for taking out the \$7.3 billion, which is on the revenue side and the \$3.2 billion, which is on the expenditure side.

You see, that \$3.2 billion deals with payments to those people who do not have a rebate coming and therefore it is a direct payment to them.

We have worked this out with the Ways and Means Committee. It is agreeable to Mr. Ullman. It does have in the **third budget resolution** tax reductions, which will provide for the business tax credit and/or the payroll credit, both of which, as you know, are presently being discussed by the Senate and the House and will be in conference. It leaves them that flexibility.

We would not want to make anything else in order and I cannot stress it strongly enough, because we do not want to reopen the entire budget for fiscal year 1977. We do not think that would be wise.

Certainly it should not be done at this late stage. We do not want to have a fourth budget resolution, so to speak, but we do think we ought to remove this massive amount of revenue cuts which are available and which could tempt people in the Congress. Add another feature to the rule and that would be, in addition to making my amendment in order, to also make in order her amendment, which would remove that business tax or that pay-roll credit tax that is in there. She will address herself to that.

However, I did agree with Chairman Ullman that I would not seek to remove that and I would confine myself strictly to the \$50 rebate payments and direct payments.

CHAIRMAN DELANEY. Mr. Bolling?

MR. BOLLING.³ In other words, you have no objection to the rule including the opportunity for Ms. Holtzman to offer that amendment, but you do not propose to support the amendment; is that the way I heard you?

Did I hear that correctly?

MR. GIAIMO. I have no objection to her having the opportunity to offer her amendment and frankly, Mr. Bolling, I might even support it personally. I am not sure yet.

MR. BOLLING. I see.

MR. GIAIMO. But speaking for the committee, and having worked this out with the Ways and Means Committee, trying to protect the Ways and -Means Committee's flexibility as they call it in this area, dealing with the Senate, I cannot include that amendment.

MR. BOLLING. Right. I see. I just want to be sure I understood.

MR. GIAIMO. Yes. But there is merit to the argument that the House ought to have the chance to work its will on that business tax, so-called.

MR. BOLLING. Okay. I thank you. That is all I have.

MR. GIAIMO. But again I stress, please don't open this budget up to any further amendments because we do not want to rewrite the 1977 year budget.

CHAIRMAN DELANEY. Mr. Quillen?

MR. QUILLEN.⁴ Thank you, Mr. Chairman. Are there any amendments in order other than what you are making in order?

MR. GIAIMO. As I understand it, no. This is the reason we have to get a rule from you, making it in order to address ourselves to the fiscal year 1977 budget at the time that we take up the 1978 budget.

MR. QUILLEN. Okay. That is all, Mr. Chairman.

CHAIRMAN DELANEY. Mr. Sisk?

MR. SISK.⁵ Mr. Chairman, let me say I appreciate what the gentleman is doing. I happen to be one of those who favor the narrow approach to this. I certainly will support the request of the gentleman from Connecticut. I question whether anything else should be made in order.

¹ James Joseph Delaney (D-NY) was Chairman of the House Rules Committee (1977-1979).

2. Robert Nicholas Giaimo (D-CT) was chairman of the House Committee on the Budget during the 95th and 96th Congresses.

³ Richard Walker Bolling (D-MO) was a senior Member of the House Rules Committee at this hearing. He was later Chairman of that Committee, retiring in 1981.

⁴ James Henry Quillen (R-TN) was a senior member of the House Rules Committee.

⁵ Bernice Frederic Sisk (D-TX) was a Member of the Rules Committee. He was a Member of Congress from 1955 to 1979.