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Congress and the Politics of Statutory Debt Limitation

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> Most analysts view the statutory limit of federal debt as archaic.... Voting separately on the debt is hardly effective as a means of controlling deficits, since the decisions that necessitate borrowing are made elsewhere. By the time the debt ceiling comes up for a vote, it is too late to balk at paying the government's bills....
>
> James Blum, Congressional Budget Office (1990)

Statutory debt limits enacted by Congress have not only failed to curtail the government's growing tide of red ink, but, ironically, they have become a favorite vehicle for expanding federal programs and expenditures. Nonetheless, debt limitation legislation has long been a congressional ritual. Even in the face of the obvious political difficulties associated with sanctioning trillions of dollars of debt, members of Congress cling to the tradition. Perhaps because enacting statutory limits on federal borrowing is perceived as a hollow exercise, it has attracted little scholarly attention. Yet since 1917, statutory debt limits have played a role in federal borrowing, congressional oversight, and the legislative process. In this article, we examine the politics and policy consequences of statutory debt limitation and explore the complex member goals that help explain why Congress has doggedly maintained the practice.

At first glance, the practice seems anomalous, given the growing importance of electoral incentives in explaining congressional behavior (Mayhew, 1974). For the majority who must vote for it, the debt-limit vote allows little credit taking and is potential fodder for the negative campaign of an opponent. Contemporary theories of legislative politics stress the reciprocal nature of the structure and procedures of the U.S. Congress and the needs of its members (Cooper, 1981; Davidson and Oleszek, 1976; Sinclair, 1991). The conventional wisdom about congressional behavior would lead one to expect members to seek protection from these votes, particularly in the House of Representatives where limited floor debate and amendment restrictions can shield members (Fenno, 1978; Weaver, 1986).

The periodic but inevitable need to increase the debt ceiling has long provoked a partisan political response. As federal debt ballooned in the 1980s and 1990s, the debate has become more politicized than ever. Instead of becoming less frequent, debt-limit votes have increased in number and controversy in recent years. We believe that, despite the apparently unattractive and politically risky aspects of debt-limit votes, they serve member needs in other ways. Our analysis suggests three general types of member goals which may be achieved.

Borrowing Restraint and Oversight of the Executive Branch

Despite the fact that outside experts have consistently reported to Congress that the debt limit is ineffective at curbing borrowing, many members believe that it serves a useful function. This argument appeared to be especially powerful with fiscal conservatives through the 1970s. Some members claim, at least publicly, that the debt limit acts as a real check on borrowing. Others believe that, even if it does not act as a constraint, it has symbolic importance in demonstrating congressional attentiveness and concern with burgeoning debt.

In addition, the debt limitation bills have provided Congress with an opportunity to review and comment on administration economic policy and to oversee the Department of the Treasury. The committee hearings have given members the opportunity to examine and question specific practices dealing with Treasury borrowing, to hear administration budget and fiscal policy directly from Treasury officials, and to put their statements on record. Oversight was more important in the early years of this study; prior to the enactment of the Budget and Impoundment Control Act of 1974, the debt-limit bill was one of the few opportunities for reviewing and debating administration economic plans for the forthcoming fiscal year. Before 1974, congressional budgets were no more than an aggregate of individual appropriations and revenue bills. Committee hearings and floor debates on debt-limit extensions partially filled that gap.

Partisan and Ideological Goals

The debt bill has for decades provided an unparalleled opportunity for political opportunism, the articulation of conservative economic values, and clarifying partisan differences. A substantial number of legislators in both houses may speak and vote against the debt limit with the knowledge that it will ultimately pass. Over the years, a consistent ideological theme has appeared in the debate and votes, especially among Republicans and fiscal conservatives. Some members based their congressional reputation on balancing the budget and the evil of government borrowing. Self-proclaimed "watchdogs" like H.R. Gross (R-IA) made a career of denouncing government waste and prolificacy, particularly relishing opposing the debt bills. Fiscal moderates and liberals, usually Democrats, accepting Keynesian precepts and the inevitability of extending borrowing authority, often found themselves on the defensive and soft pedaled their support.

Party control of Congress and the presidency, as we shall see, is the crucial variable in explaining voting alignments on debt legislation. The majority party in Congress—particularly under unified party control of government—is responsible for governing, including the obligation to pay the nation's bills.

In contrast, the minority party has no such obligation and instead has an opportunity to score political points and establish a public record against government borrowing. This is particularly true of the House Republicans, who, as a "permanent" minority with little influence on budget outcomes, use the floor debate and debt vote as policy platforms (Jones, 1970). Party control of the White House is also important, as members are likely to be less critical when the proposal comes from a President of their party.

"Must-Pass" Legislation

Finally, debt limitation bills also can achieve certain procedural objectives by facilitating the passage of controversial legislation. The bills have become increasingly attractive in recent years as a way to overcome the legislative logjam in Congress. Because failure to extend borrowing authority ultimately results in government default and the failure to make benefit payments such as Social Security, the legislation must pass. As divided government and legislative gridlock have increased, debt-limit bills accordingly have become more important. They have attracted not only germane amendments dealing with the budget and debt but a host of nongermane amendments as well. At times, however, the relationship may be reversed, with attractive amendments—such as increases in Social Security benefits—added to make the debt extension vote more palatable to reluctant members.

Fiscal Norms and the Evolution of the Debt Limit

Hostility to borrowing by the federal government and the ideal of a balanced budget go back to the beginning of the Republic. While government borrowing and federal debt have always had economic consequences, their political symbolism has been equally important. The meaning of the symbolism has changed significantly over the years, however. Issues surrounding federal debt were most sharply framed in the 1790s by Alexander Hamilton and Thomas Jefferson, reflecting their very different visions of the powers and responsibilities of the federal government. Behind Jefferson's opposition to Hamilton's sanctioning of federal debt was the notion of "corruption," meaning not merely graft, but an undermining of the basic republican nature of government (Savage, 1988, ch. 4). In Jefferson's view, a government saddled with debt would weaken its constitutional foundations because of the resulting social and economic inequality; the wealthy aristocracy, speculators, and bankers who financed the debt would gain financial leverage on the government. In 1798, Jefferson proposed a balanced budget amendment to the Constitution to eliminate the federal government's ability to borrow (Savage, 1988, p. 106). Two generations later, Andrew Jackson echoed the same themes, urging the reduction of debt and limits on the sources of federal revenues, particularly through tariffs.

The symbolic importance of federal debt and a balanced budget shifted after the Civil War, a deficit-financed war fought to defend, not undermine, the Constitution. During the next 70 years of Republican dominance, federal spending was significantly expanded to support capitalism and industry. These expenditures were financed through a system of high tariffs that were justified as necessary to prevent deficits and to retire debt (Savage, 1988, p. 122). In reality, expanded federal spending was also needed to prevent budget surpluses, which were considered as undesirable as deficits. By the turn of the century, as a result of the Progressive movement, balancing the budget became an important symbol of efficiency and integrity in government. As revenues became more dependent on income taxes rather than tariffs, Republican opposition to federal borrowing solidified.

Congress first enacted legislation to statutorily limit the borrowing authority of the U.S. Treasury as part of the Second Liberty Loan Act in 1917, as a means of consolidating Treasury borrowing following the United States's entry into World War I (*Congressional Record*, Sept. 24, 1917, pp. A991-A993; Cantor and Stabile, 1990). Until 1940, the borrowing authority of the Treasury remained remarkably stable; between 1921 and 1931, it stayed unchanged at $43.5 billion. In the years that followed, however, the exigencies of the Great Depression and the United States' entry into the Second World War sharply increased the need for public borrowing. This required the Democrats to attempt to alter the political symbolism of deficits and debt, a difficult and uncomfortable task. Keynesian theories legitimized deficit spending but confronted the powerful balanced budget norm. Republican opponents of Roosevelt attacked the New Deal and the deficits associated with it, establishing the foundations of partisan conflict over federal borrowing that continue through the present day.

In 1945, Congress overwhelmingly approved a permanent debt ceiling of $300 billion. The seven years following 1945 provided little opportunity for partisan politics over the debt ceiling. Between 1945 and 1953, only one amendment was made to the Second Liberty Loan Act—in 1946 to decrease the debt-limit ceiling from $300 billion to $275 billion. Although the Employment Act of 1946 justified borrowing to counter downturns in the business cycle, fiscal orthodoxy opposing deficit spending and the accumulation of government debt remained strong (Stein, 1969).

Equally important were congressional norms and institutional arrangements that gave conservatives firm control of the authorizing and appropriations process. Indeed, the appropriations committees, especially in the House, took pride in their role as the "guardians of the Treasury" and regularly appropriated funds below the levels requested in the President's budget (Fenno, 1966). Other important committees, such as the tax-writing House Ways and Means and Senate Finance Committees, were guided by powerful and conservative chairmen. The norms and structures that favored conservative approaches to government finance would eventually prove inconsistent with majority preferences in Congress.

The symbolic importance of federal debt remains central to understanding Congress's role and performance. Over the past 40 years, extending the federal government's borrowing authority has become necessary more frequently and has become increasingly contentious. Today, the national debt is rising faster, borrowing limits are reached sooner and must be raised by larger and larger amounts. Table 1 shows the expansion of debt subject to statutory limit over the past 50 years, increasing from $43 billion in 1940 to nearly $4 trillion

Table 1
Debt Subject to Statutory Limit, End of Fiscal Year, 1940-1996 (in millions of dollars)

End of Fiscal Year	Debt Subject to Limit	End of Fiscal Year	Debt Subject to Limit
1940	43,219	1969	356,107
1941	49,494	1970	372,600
1942	74,154	1971	398,650
1943	140,469	1972	427,751
1944	208,077	1974	458,264
1945	268,671	1975	475,181
1946	268,932	1975	534,207
1947	255,767	1976	621,556
1948	250,381	TQ	635,822
1949	250,965	1977	699,963
1950	255,382	1978	772,691
1951	253,284	1979	827,615
1952	257,233	1980	908,723
1953	264,220	1981	998,818
1954	269,379	1982	1,142,913
1955	272,348	1983	1,377,953
1956	270,619	1984	1,572,975
1957	269,120	1985	1,823,775
1958	275,395	1986	2,110,975
1959	282,419	1987	2,336,014
1960	283,827	1988	2,586,869
1961	286,308	1989	2,829,770
1962	295,374	1990	3,161,223
1963	302,923	1991 estimate	3,583,342
1964	308,583	1992 estimate	3,986,360
1965	314,126	1993 estimate	4,327,897
1966	316,293	1994 estimate	4,548,462
1967	323,143	1995 estimate	4,736,441
1968	348,534	1996 estimate	4,912,801

Source: *Budget of the United States FY1992*, part 7, pp. 74-77.

today. Table 2 compares five-year periods since 1950, showing the number of times the debt limit had to be increased, the average duration of the limit, and the percentage increase over five years. The limit increased only 2 percent between 1951 and 1955; between 1986 and 1990, it increased by nearly 120 percent. In the early 1950s, the limit was adjusted twice for an average duration of 30 months. In the last 5 years of the 1980s, it had to be raised 15 times for an average duration of only four months.

In the pages that follow, we trace the politics of statutory debt limitation, focusing on its managerial, partisan, and procedural implications. We divide our analysis into the years before and after the adoption of the congressional budget process in 1974. Many important procedural changes occurred after 1974, but until 1990, at least, the statutory debt-limit votes remained important. By examining these changes over the past four decades, we hope to explain why Congress continues to engage in the difficult and seemingly unpalatable task of raising the debt ceiling when it has a negligible effect on fiscal discipline. Congressional debates, voting patterns, amendments, and rule changes within the House and Senate will help us draw some conclusions about the relationship between Congress and the public debt. Finally, we assess the prospects for debt limitation legislation in the future.

Statutory Debt Legislation: 1953-1975

The Debt Limit as Managerial Oversight: The Eisenhower Era, 1953-1960

President Dwight Eisenhower took office in 1953 as a fiscal conservative, having run on a platform that unequivocally stressed a reduction in federal spending and the goal of balancing the federal budget. In his first State of the Union Address, his commitment to "reduce the planned deficits and then balance the budget" headed Eisenhower's list of domestic initiatives (*Public Papers of the President*, 1953, p. 19). Nonetheless, Eisenhower was the first Republican President to feel the tension between the balanced budget ideal and the prescriptions of compensatory fiscal policy during an economic downturn. Although Herbert Stein (1969) argues that Eisenhower helped legitimize Keynesian economics, Ike remained firmly committed to the fundamental moral correctness of a balanced budget. In a study of economic policy making during the Eisenhower years, John Sloan (1991) shows that the balanced budget norm ultimately gained ascendancy over compensatory fiscal policy.

Underscoring Eisenhower's interpretation that the 1952 election carried a mandate for conservative fiscal policies were the congressional election results that established narrow Republican majorities in the House and Senate. However, shared party affiliation and commitment to reducing the federal debt did not ensure cooperation between Congress and the White House. In 1953, the Eisenhower administration requested an increase in the debt limit, citing the costs of the Korean War and the cold war defense buildup as the reason for the increase. The House acted promptly on the request, but floor debate made clear that Republican members were not entirely comfortable in their positions as supporters of an increased debt limit. Although House Republicans overwhelmingly approved the administration's request on the final vote, their floor comments were peppered with rhetoric calling for the President to put the nation's "fiscal house in order" (*Congressional Record*, July 31, 1953, p. 10704). House Democrats voted nearly two to one against the increase. Apparent in many of the speeches was the members' belief that the debt ceiling should be used as an congressional

Table 2
Comparison of Increases in the Debt Limit in Five-Year Periods, 1951-1990

Year	Number of Times Debt Limit Increased	Percentage Increase in Borrowing Authority over Five Years	Average Number of Months before Limit Was Reached
1951 - 55	2	2.2	30.0
1956 - 60	5	4.3	12.0
1961 - 65	8	11.9	7.5
1966 - 70	5	20.4	12.0
1971 - 75	10	50.6	6.0
1976 - 80	11	55.4	5.5
1981 - 85	12	105.7	5.0
1986 - 90	15	117.8	4.0

Source: *Budget of the United States FY1992*, part 7, pp 74-77.

Table 3
Roll-Call Voting on Debt-Limit Bills in U.S. House of Representatives, Selected Years, 1953-1960 (Vote on Final Passage)

Year	Bills	Vote		Democrats		Republicans	
		For	Against	For	Against	For	Against
1953	HR6672	239	158	69	125	169	33
1955	HR6992	267	561	134	43	133	13
1958	HR9955	328	71	186	29	142	42
	HR13580	286	109	166	44	120	65
1959	HR7749	256	117	168	69	88	48
1960	HR12381	223	174	140	114	83	60

Source: *Congressional Quarterly Almanacs*, 1953-1960.

instrument of oversight and control over the executive branch. Two comments by Republicans are illustrative.

> The purpose of the debt limit is to discourage the bureaucrats, Republican and Democrat, from wasting the money appropriated by the Congress (Rep. Richard Poff, R-VA, *Congressional Record*, July 31, 1953, p. 10704).

> One of the reasons for the [debt] limit was so that we could reexamine the operations of the Secretary of the Treasury as far as management of the debt is concerned...(Rep. Daniel Reed, R-NY, *Congressional Record*, July 31, 1953, p. 10705).

On the other side of the capitol, the Senate Finance Committee refused to report legislation for the request, despite presidential threats that Congress would be have to be called into a special session if necessary. After an 11-4 vote to table the request, the Republican committee chairman noted "that the Treasury could get by until the first of the year as is" (*Congressional Quarterly Almanac*, 1953, p. 409). The Treasury did just that, in part as a result of revised budget estimates and through the sale of gold reserves. The Eisenhower administration had confronted a Republican Congress on an important component of the nation's financial management and lost. Moreover, it signaled the start of a pattern that made debt ceiling legislation a component of the broader efforts by fiscal conservatives to control government spending.

Ironically, Eisenhower had greater success in extending the government's borrowing limit after losing his Republican majorities in Congress in 1954. Table 3 examines House roll call votes on the debt-limit bills between 1953 and 1960.[1] Although support from members of his own party declined steadily throughout his term, from 1955 on a majority of Democrats supported administration requests to increase the ceiling. Democrats opposed the debt limit only in 1953 while they were in the minority. As Republican support waned, Democratic support increased.

Failure to respond to administration requests in a timely fashion sometimes forced stop-gap measures to avoid default. The Treasury's ability to work under the previous limit despite the Senate's refusal to grant the Eisenhower administration's request in 1953 weakened the President's case. Moreover, the belief that the debt ceiling reflected a set of discretionary choices by the administration was buttressed by the apparent flexibility of the administration when Congress raised the debt ceiling by an amount less than that requested.

Congress's view that the statutory debt limit could curb borrowing was manifest in the dubious distinction it drew between "temporary" and "permanent" debt limits. Enacting temporary rather that permanent increases in the debt ceiling reflected the hope that the debt would eventually decrease. It was viewed as a means of checking further spending by forcing presidents and members of Congress to pay regular attention to the size and growth rate of the debt. During one debate, Senator Harry Byrd (D-VA) noted that "this additional temporary extension should be regarded by the Administration as an indication of Congressional notice that it should not be repeated again" (*Congressional Record*, June 30, 1955, p. 9573). As confidence in the statutory debt limit as an oversight tool declined, members' frustration grew. When the Democrats recaptured the White House, partisan divisions over statutory borrowing authority became even sharper.

The Debt Limit as Partisan Ideology: The Kennedy-Johnson Era, 1961-1969

The Democratic victory in the 1960 presidential election heralded a change in economic policy making as well as a shift in party control of the White House. President Kennedy brought with him a cadre of economists eager to implement policies reflecting the "new economics" of the Keynesian school, which included increased federal spending during recessions as a means of stimulating the economy. They introduced the concept of the "full-employment" budget that rationalized government borrowing if the economy were not operating at full capacity (Heller, 1967). In testimony before the Senate Finance Committee on the FY62 budget, Budget Director David Bell told members that the projected deficit was "deliberately planned as an antirecession measure" (*Congressional Record*, June 28, 1962, p. 12154).

The administration gained some Republican support at first because many believed that the restraint of the Eisenhower administration during its last two years had let the economy stagnate. Keynesian economics was made more palatable by being presented in the form of a tax cut for individuals and businesses, the latter appealing to an important Republican political base—the business community. These factors made it possible to attract 40 of 153 House Republican votes in 1961 and 60 of 158 Republican votes in 1962 for the debt extensions (Table 4).

James Sundquist (1968, p. 49) suggests that Republican votes for the tax cut and the concomitant higher deficits meant that "they joined the Democrats in abandoning the notion that the budget should be balanced." The evidence suggests, however, that after the first two debt-limit votes, ideological lines and Republican opposition to extending borrowing authority stiffened, most notably in the House. The Democrats' new economic perspective was of limited success in changing the perception of the deficit and the debt. According to many accounts, members of Congress and even the President himself were sometimes dubious (Harris, 1964; Stein, 1969; Sundquist, 1968). In its advocacy of Keynesian-based policies, the Kennedy administration made no secret about the effect on federal deficits but made a point of insisting that the full-

Table 4
Roll-Call Voting on Debt-Limit Bills in Congress, 1961-1967 (Vote on Final Passage)

Year	Bill	Vote		Democrats		Republicans	
House		**For**	**Against**	**For**	**Against**	**For**	**Against**
1961	HR7677	231	148	191	35	40	113
1962	HR10050	251	144	191	46	60	98
	HR11990	211	192	202	39	9	153
1963	HR6009	213	204	212	32	1	172
	HR7824	221	175	219	17	2	158
	HR8969	187	179	187	32	0	147
1964	HR11375	203	182	203	58	0	154
1965	HR8464	229	165	223	43	6	122
1966	HR15202	199	165	198	44	1	121
1967	HR4573	215	199	213	26	2	173
	HR10328	197	211	197	35	0	176
	HR10867	217	196	217	20	0	176
Senate							
1962	HR11990	55	34	43	14	12	20
1963	HR6009	60	24	45	11	15	13
	HR7824	57	31	45	12	12	19
	HR8969	50	26	39	13	11	13
1964	HR11375	48	21	36	9	12	12
1965	HR8464	61	26	49	10	12	16
1966	HR15202	50	17	40	8	10	9
1967	HR4573	54	23	42	11	12	12
	HR10867	60	30	45	15	15	15

Source: *Congressional Quarterly Almanacs*, 1961-1968.

employment budget would be in balance. Nonetheless, fiscal conservatives in Congress professed "astonishment" and "shock," complaining that the administration "seems to regard the federal budget as a tool for testing economic theories" (*Congressional Record*, June 28, 1962, p. 12163).

Voting patterns through the 1960s revealed pronounced House-Senate differences among Republicans. Nearly half of the Senate Republicans supported legislation to extend borrowing authority. The bills tended to pass easily since approximately 80 percent of the Senate Democrats also supported the legislation. In the House, however, with members facing reelection every two years, Republican opposition became nearly unanimous, and with 30 to 40 defections among Democrats, debt increase measures passed only by narrow margins. As a result, the administration and House leadership had some difficulty putting together majorities sufficient to pass the necessary increase. In order to gain support at all, congressional leaders were forced to keep the increases low and the duration of the increase short, which resulted in more frequent votes.

Floor debate reveals that many members viewed a vote to increase the statutory debt limit as a referendum on the nation's economic policy and the different positions of the two parties. The link between debt ceiling votes and administration budget policy served to intensify partisan ideological attacks. Many Republican members argued that having voted for reduced appropriations during the prior year, they had no obligation to support the current proposal for increasing the debt limit. Illinois Republican Harold Collier's comments on the House floor were typical:

> Because I have personally voted in a responsible manner on all authorization and appropriation bills since I have been a member of this body..., I refuse to be a rubberstamp for any administration when the debt limit legislation has been brought before us...(*Congressional Record*, June 18, 1964, p. 14360).

Political alignments changed little during Lyndon Johnson's presidency, despite his legendary legislative skills. Proposed increases in the statutory debt limits evoked the same united Republican opposition in the House, made increasingly rancorous by Republican perceptions that Johnson was using Vietnam War costs to cover borrowing for domestic programs. The administration's attempt to sell government securities, which were exempt from the debt-limit, was viewed as a gimmick designed to disguise the actual levels of federal spending. It only increased Republican perceptions that the administration could not be trusted.[2]

Two significant events occurred in 1967: the first outright defeat of debt-limit legislation and the first permanent increase in the debt ceiling since 1959. Not surprisingly, after years of clinging to the fantasy that borrowing was only temporary and would soon fall to lower levels, the increase in the permanent debt ceiling was highly contentious. Opponents portrayed the permanent nature of the increase as an admission of defeat in efforts to curb federal spending. Furthermore, it was evident that the belief in the ceiling as a means of controlling the deficit was slowly being put to rest. Representative Joe Skubitz (R-KS) spoke for most Republicans:

> Mr. Chairman, I resent most strongly the very fact that for the ninth time since I entered Congress in 1963, the Members of this body are considering another raise of the public debt limit.... Today, every Member must surely realize how meaningless we have made this "permanent" debt figure. I would further question how any of us can believe that we will today be voting on any debt dollar limit which will be realized other than on paper (*Congressional Record*, June 7, 1967, p. 15055).

The Debt Limit as Must-Pass Legislation: The Nixon-Ford Era, 1969-1976

Richard Nixon was elected to office during a period of intensified political conflict resulting from the sharpened debate in Congress over the war in Vietnam. Members had become accustomed to using partisan arguments in debates on debt limits; divided government and growing interbranch conflict would do nothing to curb that practice. Additionally, during this period, the genesis of a pattern developed that would eventually become full blown in the mid-1970s and 1980s: the use of the debt ceiling vote as a vehicle for other legislative matters.

The pattern of Republican support that existed under Eisenhower reappeared under Nixon and his successor, Gerald Ford. The President received initial support for his requests to extend borrowing authority before Republican support waned, causing Nixon and Ford to depend on support from House Democrats to supply the necessary votes

Table 5
Roll-Call Voting on Debt-Limit Bills in Congress, 1969 - 1976 (Vote on Final Passage)

Year	Bill	Vote		Democrats		Republicans	
House		**For**	**Against**	**For**	**Against**	**For**	**Against**
1969	HR8508	313	9	173	52	140	41
1970	HR17802	236	127	129	68	107	59
1971	HR4690	228	162	123	100	105	62
1972	HR12910	247	147	155	78	92	69
	HR15390	211	168	113	109	98	59
	HR16810	221	163	80	142	141	21
1973	HR8410	261	152	134	97	127	55
	HR11104	253	153	160	65	93	88
1974	HR14832	191	190	116	97	75	93
1975	HR2634	248	170	186	94	62	76
	HR7545	175	225	129	137	46	88
	HR8030	223	196	163	115	60	81
	HR10049	178	217	136	130	42	87
	HR10585	213	198	200	76	13	122
1976	HR11893	212	189	166	97	46	92
	HR14114	184	177	147	92	37	85
Senate							
1969	HR8508	67	18	36	14	31	4
1970	HR17802	64	19	33	12	31	7
1971	HR4690	80	0	43	0	37	0
1972	HR12910	53	29	25	17	28	12
	HR15390	78	3	42	2	36	1
	HR16810	61	11	33	8	28	3
1973	HR8410	72	19	48	3	24	16
	HR11104	58	34	44	10	14	24
1974	HR14832	58	38	35	21	23	17
1975	HR2634	70	20	46	10	24	10
	HR8030	72	21	43	11	26	10

Source: *Congressional Quarterly Almanacs*, 1961-1968

(Table 5). In the meantime, members discovered that debt ceiling legislation was a useful vehicle for other legislative matters. Proposed amendments were not new to debt limit legislation; the difference was in their germaneness to the issue. Previously, amendments had been primarily concerned with the mechanics of debt management: the interest rates on government bonds, sales of government-owned certificates, or more often reduction of the size of the increase itself. In the House, Ways and Means Committee Democrat Charles Vanik (D-OH) unsuccessfully attempted to offer two amendments to the 1970 debt ceiling bill: one to reduce the debt limit increase and another to cut the military budget by $6 billion. Two amendments were offered in the Senate to the same bill: one to postpone a congressional pay raise until the federal budget was balanced and the other to establish an overall ceiling on federal expenditures.

The issue that became most closely associated with debt-limit legislation during the Nixon administration was Social Security. Senate debate on the 1971 debt bill was dominated by discussion of the Social Security provisions, overshadowing the original purpose of the bill. It was the first of three instances when the Senate would attach popular Social Security legislation to a debt ceiling bill. Controversial amendments, such as one suspending bombing in Cambodia, became more common. Delay in enacting debt limits increasingly threatened to disrupt government operations; a filibuster against a campaign finance reform amendment delayed the approval of a 1973 debt ceiling bill until two days after the expiration the previous "temporary" limit.

The strategy of using essential debt ceiling extensions for legislative purposes was adopted by the President as well. In the debt ceiling bill he sent to Congress in 1972, President Nixon included a controversial spending ceiling and provisions to give the President broad impoundment powers with which to meet that limit. Although the provisions were later deleted altogether in conference, it is a telling example of the potential of the "must-pass" bill for both ends of Pennsylvania Avenue.[3]

Despite the changes in the politics of statutory debt limitation, a consistent theme from earlier periods remained: the attempt to cut proposed debt limit increases linked with the expressed need to curb federal spending. By this time, however, many members recognized the need for additional tools for Congress to exert greater control over spending and borrowing. Support grew for creating an entirely new congressional budget process.

Statutory Debt Limitation after Budget Reform, 1976-1990

The Budget and Impoundment Control Act of 1974

Frustration with growing debt, the piecemeal appropriations process in Congress, and antipathy towards the Nixon administration helped forge a bipartisan coalition in support of budget reform. Expectations of reform were high. In reporting in 1974 the last debt ceiling extension before the enactment of the budget act, the Ways and Means Committee noted that the debt bill would provide "some over-all congressional control over the budget until Congress enacts legislation creating a legislative system for examining and controlling budget totals and budget components" (*Congressional Quarterly Weekly Report*, May 25, 1974, p. 1402). The Joint Study Committee on Budget Control (1973, p. 8) concluded that "the failure to arrive at congressional budgetary decisions on an overall basis has been a contributory factor in the size of these deficits." Members were also concerned about the disintegration of the appropriations process. By 1974, only 45 percent of outlays were under the jurisdiction of the appropriations committees (Joint Study Committee on Budget Control, 1973, p. 10). Backdoor spending and rapid growth in entitlements undermined the more traditional means of legislative control (Weaver, 1988). Increasingly, Congress failed to pass spending bills by the start of the fiscal year. Between 1972 and 1975, not a single appropriation bill was passed on time, and in several instances, no spending bill was ever passed (Schick, 1974, pp. 310-311). Rather than eliminating the old authorization-appropriations process, the Budget and Impoundment Control Act of 1974 superimposed a new budget process over the old system. The House and Senate budget committees, the Congressional Budget Office, and a strict timetable were all created by the act (LeLoup, 1980; Schick, 1980). The budget act made no specific changes or references to the Second Liberty Loan Act, but section 310 of the act provided that the

budget resolution would "specify the amount by which the statutory limit on the public debt is to be changed and to direct the committees having jurisdiction to recommend such change" (Public Law 93-344, Title III, Section 310 (3)).

It was generally believed that the process would help reduce federal borrowing by requiring a majority of members to go on record supporting a deficit and an increase in the national debt *before* the fact. Under the old system, when congressional taxing and spending decisions produced a deficit, the statutory debt ceiling had to be raised *after* the fact. With the required votes on first and second concurrent resolutions on the budget, reformers believed that Congress would be less likely to allow a deficit or expand the national debt. Such optimism would prove unfounded as budgets remained unbalanced, and the politics of statutory debt limitation was left largely unchanged by budget reform.

Looking at the patterns of debt growth before and after the implementation of budget reform suggests it had little effect on debt limitation. The debt continued to accumulate at approximately the same pace in the five years after budget reform as it had in the previous five years. The debt expanded even more rapidly in the 1980s, tripling in less than ten years. Budget reform also had no noticeable impact on the growing frequency of debt extensions (Table 2). In 1976, congressional leaders attempted to synchronize the statutory debt limit with the government's new fiscal year. A 15 month extension running through September 30, 1977, was adopted. This effort proved unsuccessful, however, since the ceiling was either reached sooner than expected or a majority would only support an extension of shorter duration. Nor was there any new "realism" about the exercise, despite expert testimony that separate statutory limitations now made even less sense from a policy perspective. In addition, the fiction of the temporary versus the permanent extension was continued after budget reform. The permanent debt limit stayed at $400 billion for almost a decade as the government's actual borrowing needs grew to $925 billion. Not until 1983 did Congress eliminate the distinction between the permanent and temporary debt limits.

Elimination of the Separate House Vote

In 1979, four years after the implementation of the congressional budget process, the House of Representatives adopted an amendment by Richard Gephardt (D-MO), eliminating the requirement that the House have a separate vote on the statutory debt limitation. As the budget process became more time consuming and difficult, particularly in the House, pressure grew to reduce the number of these highly contentious votes. This had been tried once before. In 1978, the Ways and Means Committee had unsuccessfully attempted to link the debt extension to the budget resolution. Many worried that adding another burden to the already controversial budget resolution might make it impossible to enact.

There was also a constitutional problem: the congressional budget was enacted through a concurrent resolution binding only on Congress and did not need the signature of the President. The debt, however, had to be limited by statute, signed by the President. Members were not anxious to involve the President in the congressional budget process, so the two procedures remained separate. The Ways and Means Committee attempted to link the two actions informally by enacting debt ceiling legislation immediately after the adoption of the budget resolution.

By 1979, however, a majority of House members were ready to eliminate the troublesome debt limitation vote. Gephardt devised an approach that avoided the constitutional problem. His amendment provided that the debt limit, approved as part of the concurrent budget resolution, would be inserted in a joint resolution deemed to be passed by the House. It would then automatically be sent to the Senate to await action and final approval, and then the signature of the President (HR 5369, H Rept. 96-472). Support for the change was solid; the House defeated a motion to strike the amendment from the bill by a vote of 132-283 (*Congressional Record*, Sept. 26, 1979, p. H26349).

The change in the process did not eliminate separate votes on the debt ceiling in the House, although it reduced them. If the joint resolution sent to the Senate was amended in any way, the House had to vote on the conference report. In instances where the limit was reached before a budget resolution had been approved, or in years where the House could not approve a budget resolution on time, separate votes would have to be taken. Table 6 compares the number of roll-call votes on debt limitation amendments and final passage from 1976 to 1990. It clearly shows the increase in the number of votes in recent years. It also indicates that the House continued to be embroiled in controversial debt votes, including 12 separate votes in 1981. Since the adoption of the Gephardt amendment, however, the Senate has had significantly more roll calls on debt legislation, a total of 81 votes compared to 48 for the House. Although the Gephardt amendment has not eliminated voting on controversial statutory debt limits in the House, it has reduced them.

Borrowing Restraint and Executive Oversight

Despite the economic, political, and institutional changes that occurred during this period, some members still insisted that the debt limit could be used as a tool of fiscal discipline. This argument resurfaced during a 1976 debate when Representative William Ketchum (R-CA) claimed that if the

Table 6
Debt Limitation Votes in Congress, 1976-1990 (Amendments and Final Passage)

Year	House	Senate	Year	House	Senate
1976	4	0	1984	6	7
1977	4	1	1985	6	13
1978	9	1	1986	4	14
1979	12	10	1987	5	16
1980	7	6	1988	0	0
1981	12	2	1989	3	0
1982	0	7	1990	3	1
1983	3	15			

Source: Authors' calculations from records in *Congressional Quarterly Almanacs*, 1976-1990.

Congressional delays have resulted in underinvesting in trust funds, delays of Treasury auctions, borrowing from Social Security, and other actions to meet the government's obligations.

Ways and Means Committee, "had refused to accommodate the big spenders and kept a lid on the debt, Congress would have to come to grips with its own profligacy" (*Congressional Quarterly Almanac* 1976, p. 87). During the 1979 House debate over the Gephardt amendment, Representative Delbert Latta (R-OH), ranking minority member of the Budget Committee, expressed the view of those who wished to retain the separate votes as an instrument of fiscal control.

> This is not budgeting, it is flim flam to cover the growth of big government. Unless this House acts today the flim flam will be made worse by allowing this House to duck the entire issue of the debt. Unless the provision relating to future debt increases is removed from the bill there will be a built-in escalator for future expansions of the debt (*Congressional Record*, Sept. 26, 1979, p. H23669).

Even if frequent voting did not actually serve to reduce borrowing, some believed that at least the process helped publicize the problem. John Ashbrook (R-OH) explained that

> In the consideration of the debt limit bills, our attention is focused solely of the amount of debt this country has accumulated. We need to do this from time to time. In budget resolutions, the debt limit tends to disappear in a morass of other figures. At least every once in a while we should stop and realize what we are doing to this country by burdening it with an ever escalating national debt (*Congressional Record*, Sept. 26, 1979, p. H23669).

Although more frequently a claim by Republicans, some Democrats, when in the minority, also asserted that the statutory debt limit leads to more borrowing. In 1983, when federal deficits were heading for an all-time record, a coalition of Republicans and Democrats succeeded in defeating President Reagan's request for a $225 billion increase in borrowing authority. Led by William Armstrong (R-CO) and Russell Long (D-LA), the Senate refused to go along. In urging defeat, Long warned his colleagues that "when you vote for this motion, you are voting to continue the biggest deficits in the history of this country as far as anybody can see" (*Congressional Quarterly Almanac* 1983, p. 241).

The debt limit continued to serve as a means for Congress to oversee Treasury operations after the adoption of the new budget process. As in previous years, Congress consistently reduced the duration of the new borrowing authority to make the amount of the debt smaller than that requested by the President. Debt-limit bills were also still used to make specific changes in Treasury policy. For example, in 1976, Congress set a minimum of 4 percent interest on Series E savings bonds, increased by 20 percent the amount of long-term bonds that the Treasury could sell above the statutory interest rate ceiling, and extended the maximum maturity of Treasury notes from seven to ten years (PL 94-232). Similar specific changes in Treasury department actions were adopted throughout the 1970s and 1980s.

Congress has also indirectly affected Treasury Department policy by waiting until the last possible hour to extend the debt ceiling or actually letting it expire, something that has occurred on numerous occasions since 1976. Congressional delays have resulted in underinvesting in trust funds, delays of Treasury auctions, borrowing from Social Security, and other actions to meet the government's obligations. Perhaps the most serious consequences came during the fall of 1985 when Congress was deadlocked over the Gramm-Rudman-Hollings mandatory deficit reduction plan (see below). To keep up the pressure on negotiators, Senate leaders refused to consider temporary extensions of borrowing authority for nearly a month after it expired. The Treasury was required to take several stopgap actions, including disinvesting from the Social Security and other federal retirement funds (*Congressional Quarterly Almanac*, 1985, pp. 457-458). More than any other Treasury action, this spurred a strong congressional response, and the final budget agreement in 1985 barred the practice in the future.

Treasury Department actions taken in response to congressional delays or the expiration of borrowing authority are summarized in Table 7. As the table indicates, the administration had to adopt defensive measures throughout the 1980s to allow the government to keep paying its bills. One of Treasury's problems is that their transactions are seasonal and "lumpy," not evenly spaced over the year. Heavy borrowing takes place in the fourth quarter because no major income tax deadlines occur. Although we found no systematic accounting, it is generally believed that delays in extending and allowing borrowing authority to expire has cost the government hundreds of millions of dollars.[4]

Clarifying Partisan and Ideological Differences

Patterns of partisanship that appeared in the 1960s have continued in recent years. As the debt has grown more rapidly and debt legislation has come to the floor more often, political opportunism has not diminished. Congressman Ed Jenkins (D-GA) concluded that opposition to the debt extension boiled down to nothing more than politics.

> First of all, there is always the political aspect of it. I do not think anyone in this House has anyone writing them asking them to vote to extend the debt limit. There is no constituency for this type of legislation, obviously.... We really play a game with ourselves. When we have a Republican President in the White House, then many of the Democrats do not feel obligated to vote for the debt limit legislation. When we have a Democrat in the White House, few, if any, Republicans feel any obligation whatsoever to vote for this legislation...[(yet)] all of us in private agree that this has to be done if the Government is going to continue

Table 7
Treasury Department Responses to Debt Limitation Expiration
Debt Limit Increases from September 1982 to October 1990. (In billions of dollars)

Date of Increase	Amount of Limit	Expiration Date	Treasury Actions at Close[a]
Sept. 30, 1982	1,290.2	Sept. 30, 1983	More or less timely increase (followed Social Security bailout)
May 26, 1983	1,389.0	Permanent	Delayed auctions, underinvested trust funds; cash crunch gradual
Nov. 21, 1983	1,490.0	Permanent	Postponed auctions, underinvested Social Security
May 25, 1984	1,520.0	Permanent	Cut back auctions, underinvested Social Security
July 6, 1984	1,573.0	Permanent	Delayed auctions, underinvested trust funds; cash not critical
Oct. 13, 1984	1,823.8	Permanent	Gramm Rudman interruption: cut late-Sept. auctions to force crisis; borrowed through FFB; actively disinvested trust funds
Nov. 14, 1985	1,903.8	Dec. 6, 1985	More or less timely increase
Dec. 12, 1985	2,078.7	Permanent	Used FFB temporarily to credit Social Security; otherwise timely
Aug. 21, 1986	2,111.0	Permanent	Used FFB authority; underinvested trust funds; cash not critical
Oct. 21, 1986	2,300.0	May 15, 1987	Postponed some auctions; cash ample
May 15, 1987	2,320.0	July 17, 1987	Postponed some auctions; cash not critical
July 30, 1987	2,320.0	Aug. 6, 1987	Postponed auctions (quarterly refunding)
Aug. 10, 1987	2,352.0	Sept. 23, 1987	Rescheduled some auctions; otherwise timely; cash ample
Sept. 29, 1987	2,800.0	Permanent	More or less timely increase associated with S&L bill
Aug. 7, 1989	2,870.0	Oct. 31, 1989	Jacked up cash balances to buy another week
Nov. 8, 1989	3,122.7	Permanent	More or less timely increase before congressional recess
Aug. 9, 1990	3,195.0	Oct. 2, 1990	More or less timely increase as part of budget summit weekend
Sept. 30, 1990	3,195.0	Oct. 6, 1990	Increased as part of continuing resolution after summit rejected
Oct. 9, 1990	3,195.0	Oct. 19, 1990	Borrowed up to limit on Oct. 19 pending next increase
Oct. 19, 1990	3,195.0	Oct. 24, 1990	Delayed several auctions
Oct. 25, 1990	3,195.0	Oct. 27, 1990	Compressed auctions and settlements into this time period
Oct. 28, 1990	3,230.0	Nov. 5, 1990	Temporary limit till reconciliation bill ($4,145.0) signed

[a] Actions listed do not include suspension of savings bond and state and local government series (SLGs) sales, which are more or less routine responses to a debt ceiling interruption (especially after expiration of a temporary ceiling).
Source: Kathy A. Ruffing, Congressional Budget Office, 1991.

> to operate (*Congressional Record*, Sept. 26, 1979, p. H26342).

Representative Barber Conable (R-NY) explained in clear political terms what was behind the partisan strategy.

> I do not see any reason why on an issue of this sort, given its comparative lack of significance in terms of controlling the fiscal policy of the country, why the minority should be required to let those majority Members who are from marginal districts have the benefit of voting against this bill politically, which you would have us deny to ourselves (*Congressional Record*, Sept. 26. 1979, p. H26343).

Roll-call voting since 1976 shows patterns consistent with earlier periods. Tables 8 and 9 show roll-call votes on the passage of statutory debt extensions since 1976. With Democrat Jimmy Carter in the White House, House Republicans voted as a bloc against the bills. They were usually joined by anywhere from 50 to 80 Democrats, often making the final margin close or actually defeating the bill. Also consistent with earlier patterns, partisanship was much more restrained in the Senate, where Republicans generally split evenly and Democrats generally supported the President. These party divisions also correspond closely to House and Senate voting patterns on budget resolution votes in the 1970s and 1980s (LeLoup, 1979).

Voting alignments changed in the 1980s with the election of a Republican Senate and President. In a purely political move following the 1980 elections, congressional Democrats made sure that the debt ceiling would be reached only weeks after Reagan's inauguration, assuring that the unpleasant task of extending the government's borrowing authority would be one of his administration's first legislative actions. One of the few benefits accruing to the Senate Democrats from their newly acquired minority status was the ability to force Senate Republicans to provide the votes to extend borrowing authority. Between 1981 and 1987, when they regained a majority, only once did a majority of Senate Democrats vote for the debt limit. In many instances, they opposed it by margins of greater than 3 to 1. Even these numbers do not reveal the full extent of their efforts to hold Republican senators' feet to the fire, particularly those Republicans who had voted against the debt measures for years. In a number of instances, Democratic senators would withhold their vote, standing around the chamber with their arms folded, waiting until a sufficient number of Republicans voted in the affirmative.

In the House, the pattern changed less dramatically, even with a Republican in the White House. Because the Democrats remained the majority party in the House, Republicans still had the ability to oppose the measures. Only in 1981, the first extension of the debt ceiling after Reagan became President, did a majority of House Republicans vote for the legislation. In every subsequent vote, they opposed it by substantial margins. The presence of a Republican in the White House, however, did have a measurable effect. The number of House Republicans voting for the debt extension, while still a minority, was significantly greater than those who supported it during the late years of the Carter administration and earlier Democratic administrations (Table 8). This was despite the fact that federal borrowing grew much more rapidly under Reagan than Carter.

Amendments to Debt-Limit Legislation

In the face of a growing deadlock between the Republican President and the Democratic Congress, the statutory debt limit became increasingly popular as a means to move bills through the legislative process during the 1980s. The increased centralization of authority in Congress during the 1980s was associated with the so-called "four bill system" that included the statutory debt limitation (Dodd and Oppenheimer, 1989, pp. 48-51). The ability of the leaders to control access to these bills, particularly in the House, significantly strengthened their power. Amendments to the debt limitation legislation in the past two decades encompassed both germane and nongermane amendments. Notable differences existed between the House and the Senate, largely because of the Gephardt amendment in 1979 and the ability of the House leadership to control the rules. After 1979, virtually all nongermane amendments originated in the Senate.

Nongermane Amendments. Major nongermane amendments to the statutory debt limitation from the late 1970s to the present are given in Table 10. Throughout the 1980s especially, the statutory debt limitation attracted a wide range of amendments. These included an attempt to invoke the War Powers Act concerning military action in Grenada, votes on a nuclear freeze, and congressional instructions to negotiators in the strategic arms reduction talks. Domestic issues often dealt with taxes, including attempts to alter Reagan's 1981 Economic Recovery Tax Act (ERTA) reduction in income taxes, gasoline taxes, real estate taxes, windfall profits tax, and tariffs of imported oil. One of the more dramatic legislative battles involving the debt limitation occurred in 1980 when Congress included a repeal of President Carter's imported oil fee as part of the bill. Carter's veto was crushed by override votes of 335-34 in the House and 68-10 in the Senate in what was a low point in his legislative record (*Congressional Quarterly Almanac*, 1980, pp. 273-274).

What had once been only a tacit legislative strategy was now openly exploited by congressional leaders. One of the more extreme examples of this was seen in 1982, when Majority Leader Howard Baker made the dubious promise to senators that they could use the debt-limit bill as a vehicle for pet legislation that had been bottled up all session. The result was over 1,400 proposed amendments on nongermane issues (*Congressional Quarterly Almanac*, 1982, pp. 44-45). The Senate spent five weeks debating scores of amendments with most of the time consumed by Senator Jesse Helms (R-NC), who was determined to limit federal court jurisdiction over school prayer and busing. It became clear that the amendments would topple the bill, and Baker was forced to renege on his promise. A bipartisan agreement that no amendments whatsoever would be allowed on the bill, including those already adopted, facilitated final passage.

Despite the range of amendments offered to debt-limit legislation, the record of success was not impressive; few of the amendments were enacted. Although the potential of the debt

Table 8
Roll-Call Voting on Debt-Limit Bills in U.S. House of Representatives, 1977-1990 (Vote on Final Passage)

Year	Bill	Vote		Democrats		Republicans	
		For	Against	For	Against	For	Against
Carter							
1977	HR8655	180	201	164	87	16	114
	HR9290	213	202	194	81	19	121
1978	HR11180	165	248	157	115	8	133
	HR11518	233	172	206	59	27	113
	HR12641	167	228	162	99	5	129
	HR13385	205	202	196	74	9	128
1979	HR1894	194	222	191	73	3	149
	HR2534	212	195	209	53	3	145
	HR5229	200	215	197	70	3	142
	HR5369	219	198	214	52	5	146
1980	HR7428	208	198	208	44	0	154
Reagan							
1981	HR1553	305	104	155	68	150	36
1984	HR5665	150	263	104	148	46	115
	HR5692	211	198	142	108	69	90
	HR5927	138	282	79	178	59	104
	HR5953	208	202	124	130	84	72
1985	HR3721	300	121	212	31	88	90
1986	HR5395	216	199	197	44	19	155
1987	HR2360	296	124	219	28	77	96
	HR3022	263	155	222	21	41	134
Bush							
1989	HR3024	231	185	181	63	50	122
1990	HR5355	221	205	175	76	46	129

Source: *Congressional Quarterly Almanacs*, 1977-1990.

Table 9
Roll-Call Voting on Debt-Limit Bills in U.S. Senate, 1977-1987 (vote on final passage)

Year	Bill	Vote		Democrats		Republicans	
		For	Against	For	Against	For	Against
Carter							
1977	HR9290	58	30	41	12	17	18
1978	HR11518	62	31	40	16	22	15
1979	HR2534	62	33	48	10	14	23
	HR5369	49	29	34	10	15	19
1980	HR7482	67	20	43	6	24	14
	HJR569	54	39	46	9	8	30
Reagan							
1981	HR1553	73	18	27	15	46	3
	HJR265	64	34	18	28	46	6
1982	HJR519	49	41	8	33	41	8
	HJR520	50	41	14	26	36	15
1983	HJR2990	51	41	12	31	39	10
	HJR308	39	56	11	31	28	25
	HJR308	58	40	20	24	38	16
1984	HJR654	14	46	1	28	13	18
	HJR654	37	30	0	26	37	4
1985	HJR372	51	37	13	29	38	8
1986	HJR668	47	40	18	24	29	16
	HR5395	34	47	11	29	23	18
	HR5395	36	35	10	26	26	9
1987	HR2360	58	36	33	18	25	18
	HR3190	51	39	33	14	18	25
	HJR324	54	31	25	21	29	10

Source: *Congressional Quarterly Almanacs*, 1977-1990.

Table 10
Major Nongermane Amendments to Statutory Debt-Limit Bills in the Senate, 1978-1987

1978	To require equal per capita spending by state
1979	Presidential veto repeal of oil import fee*
	Indexing personal income tax rates
	Across the board income tax cut
1981	Reduce tax deduction for business meals
	To order Fed to lower interest rates
	To modify ERTA tax cut
1982	Reduce period for long-term capital gains
	To allow voluntary school prayer
	To ban busing to achieve integration
1983	To invoke War Powers Act to force withdrawal from Grenada
	To order Japan to eliminate nontariff barriers on beef
	To instruct START negotiators on nuclear arms reductions
1984	Nuclear freeze proposal
	To limit tax on imputed interest
	To exempt certain real estate sales from taxation
1985	To increase federal gas tax
	To reduce spending of Commodity Credit Corporation
1986	Deficiency payments to farmers
	To repeal windfall profits tax
	To increase tariff on imported oil
	Drought aid to farmers
	Insurance for AIDS victims
	To create new federal crime of money laundering
1987	Repeal congressional and federal pay raises

* Senate and House.
Source: Authors' compilation from *Congressional Quarterly Almanacs*, 1978-1990.

Table 11
Major Budget Process and Deficit-Related Amendments to Statutory Debt-Limit Bills, 1978-1987

1978	House: To eliminate separate vote on debt ceiling
1979	House: To eliminate separate vote on debt ceiling
	Balanced budget amendment
	Senate: Requiring Budget Committee to submit balanced budget
	Senate: Limit federal revenues to 20.5 percent of GNP
1980	Senate: To enhance President's rescission powers
1982	Senate: Eliminate distinction between temporary and permanent debt limit
1983	Senate: Eliminate distinction between temporary and permanent debt limit
	Senate: Express support for line-item veto amendment
	Senate: To require that amendments to debt bills be deficit neutral
1984	Senate: Federal spending freeze
1985	House: Order Treasury to restore disinvested Social Security funds
	House & Senate: Gramm-Rudman-Hollings mandatory deficit reduction
	Senate: Require spending increases be offset with spending cuts, not tax increases
1986	Senate & House: To reinstate Gramm-Rudman-Hollings mandatory provisions
	Senate: To exempt Social Security administrative expenses from sequester
1987	Senate & House: Gramm-Rudman-Hollings II, reinstating mandatory provisions and amending targets
	Senate: To provide President with line-item veto

Source: Authors' compilation from *Congressional Quarterly Almanacs*, 1978-1990.

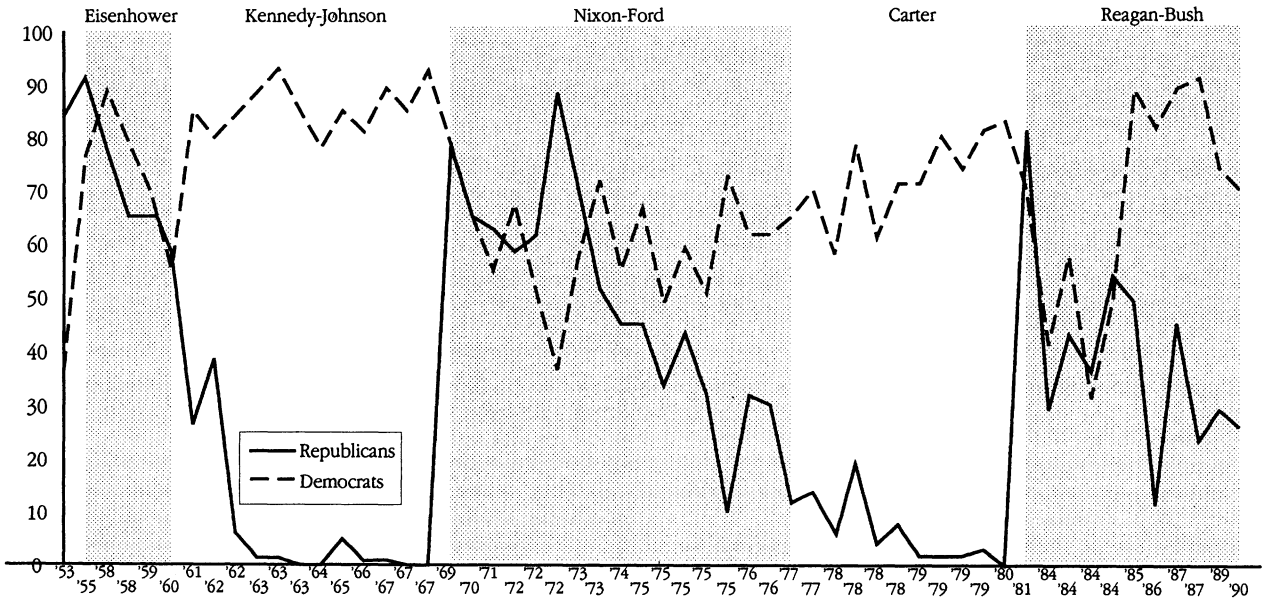
limitation as "must-pass" legislation appears high, it has not proved an effective means in practice for adopting nongermane legislation. It has, however, been much more important as a vehicle for budget and deficit-related measures.

Budget and Deficit-Related Amendments. Major germane amendments from the late 1970s to the present are summarized in Table 11. In 1978, as we have seen, the House attempted to eliminate separate votes on the debt limit. This effort was successful in 1979 with the adoption of the Gephardt amendment. The same year, an amendment was offered in the Senate to instruct the budget committee to submit a budget resolution providing for a balanced budget in the coming years. Other budget-related amendments included limiting federal revenues as a proportion of GNP, a spending freeze, support for a line-item veto, and a requirement that amendments to increase spending be offset by tax increases or spending cuts. The most important budget-related rider was the Gramm-Rudman-Hollings mandatory deficit reduction law that was adopted in 1985 and amended in 1987 and 1990.

As frustration with exploding deficits and ballooning federal debt came to a head, a scheme for mandatory deficit reduction became the dominant issue in Congress in late 1985 (LeLoup *et al.*, 1987). The Balanced Budget and Emergency Deficit Control Act of 1985, better known by the name of its sponsors as Gramm-Rudman-Hollings, was offered as an amendment to that year's debt limitation legislation. Its success was propelled by the political concerns members had with voting against anything that purported to reduce deficits. Over a period of three months, delicate negotiations between the Democratic House and the Republican Senate produced a compromise that was unpopular, but in the words of one cosponsor, was a "bad idea whose time had come" (LeLoup *et al.*, 1987, p. 85). Pressure was maintained on negotiators by successfully blocking any attempt to enact stopgap borrowing authority. When Social Security and other benefit checks were in jeopardy in November, temporary authority was finally extended. The key compromise that allowed the bill to pass involved an agreement that any across-the-board cuts (sequesters) would fall equally on domestic and defense programs. The bill set deficit targets for five years and required automatic cuts in nonexempt programs unless Congress met the targets.

The statutory debt limit would prove critical in 1987 as well. When the Supreme Court struck down the automatic across-the-board cuts in Gramm-Rudman-Hollings because of the role of the Comptroller General, proponents set out to restore them (*Bowsher* v. *Synar*, 1986). Although efforts failed in 1986, they succeeded in 1987 by holding the debt limitation hostage until a Gramm-Rudman-Hollings "fix" was adopted. Others attempted to use the debt-limit bill to force President Reagan to a budget summit with Congress. Once again, the debt bill was the focal point of the partisan battle between Reagan and the Democratic House and Senate. Conferees finally agreed in September on Gramm-Rudman-Hollings II, which fixed the constitutional flaw and revised the deficit targets. Perhaps the greatest accomplishment of the bill was the extension of the debt limitation from $2.1 trillion to $2.8 trillion, the largest increase in history and enough to last through

Figure 1
Party Support for Debt Ceiling Extensions, House, 1945-1990



early 1989, after the presidential election. The compromise, however, did little to restore confidence in the ability of Congress and the President to curb growing deficits. Several weeks later, U.S. stock markets suffered their worst decline in history.

After nearly half a century, there are signs that the debt limitation may finally be receding in prominence and importance. The statutory debt limit did not play a critical role in 1990 during the adoption of the Omnibus Budget Reconciliation Act, which included the Budget Enforcement Act (Congressional Budget Office, 1991, pp. 43-57). In fact, members seem increasingly willing to forego voting on the controversial measures. No significant amendments have been adopted since 1987. In 1990, the debt limit held a low profile among the larger budget issues: extensions were simply rolled into the stopgap continuing resolutions until a final agreement was reached (*Congressional Quarterly Weekly Report*, October 6, 1990, p. 3187). At one point, negotiators made an effort to extend the debt limitation for the full term of the agreement, which would have eliminated such votes for five years. Finally, in compromise, negotiators agreed to extend the debt limit to an amount that they believed would last until early 1993, after the presidential election.

Although events since 1987 suggest that Congress is turning away from the statutory debt limitation as an effective policy, oversight, or even political tool, it has not yet disappeared from the scene. To date, the Senate has not seriously considered adopting the equivalent of the Gephardt amendment, which would simply make the debt limit part of the budget resolution. When the limit is reached in early 1993, Congress will once against have to decide how to deal with the debt limit in the context of broader budgetary issues. Once again, the debt ceiling could be the vehicle for major changes in budget policy and the congressional process.

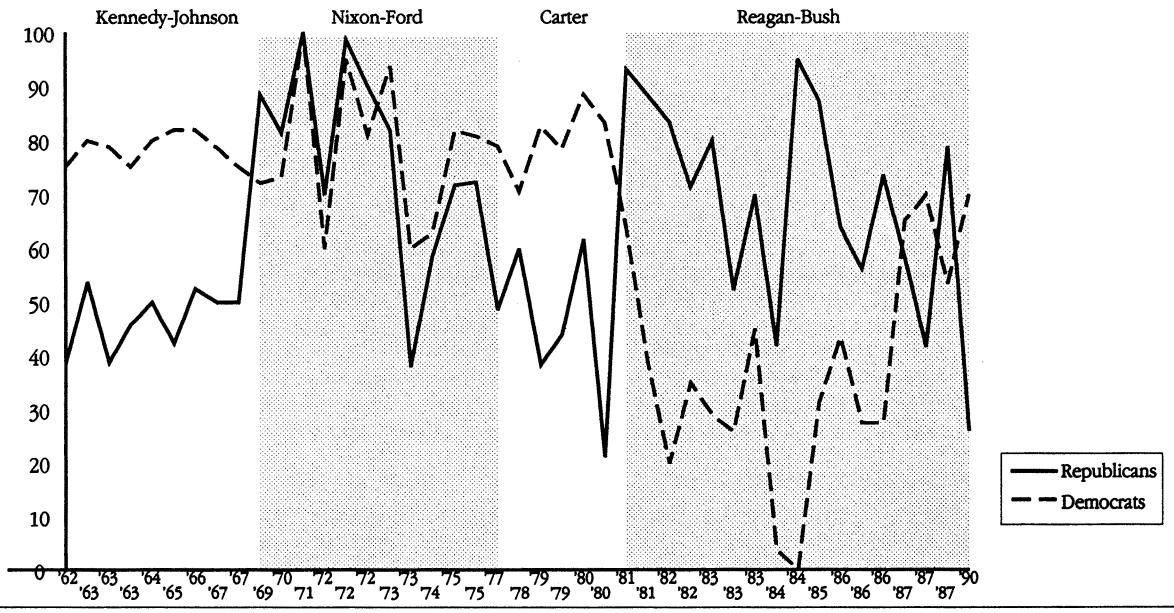
Summary and Conclusions

Although congressional responses have changed over time, many themes have remained consistent, including the high degree of significance attached to statutory debt ceiling votes. The practice of periodically increasing the debt ceiling appears to be something of a puzzle. Each vote calls attention to the increased size of the debt, a pattern about which members have been clearly uncomfortable. Treasury officials have repeatedly made plain to Congress that the ritual serves no useful function and that a one-time vote to remove the statutory debt ceiling altogether would put an end to these votes. Yet despite the disagreeable position the vote puts them in, and despite its limited utility as a management tool, Congress has maintained the practice.

We believe the puzzle is, in part, explained by the way in which the votes have served members' needs in other ways. Our examination of the 57 debt ceiling increases since 1945 show that such motivations do exist. Member goals have evolved to reflect changes in legislative institutions, the relationship between Congress and the executive, and norms within Congress. Yet it has not been the case that the emergence of one purpose has replaced those before it. Rather, new goals have been encompassed within former practices.

The member goals we identified include: (1) managerial concerns: control of spending and oversight of the executive branch, (2) clarifying partisan and ideological differences on economic policy, and (3) exploitation of debt ceiling's must-pass status as a vehicle for other legislation. The earliest period of the study seemed to be dominated by debt management concerns. Given the conservative nature of Congress and the executive at the time, balanced budgets were valued as a goal by executive and legislature alike. As a result, member debate focused predominantly on the Treasury Department's explanation for the request and with admonitions about the rate of spending.

Figure 2
Party Support for Debt Ceiling Extensions, Senate, 1960-1990



Once those values became less hegemonic, congressional debate became increasingly focused on the different positions of the two major parties. The minority was motivated primarily by electoral concerns and the majority with governing needs. This fissure was widened by the Kennedy administration's attempt to alter fiscal norms with its embrace of the "new economics." When Richard Nixon took office, partisanship in debate on the debt ceiling had become the rule rather the exception. This pattern of partisanship has been remarkably resilient over the past 40 years. The patterns of Republican and Democratic support for debt limitation bills since 1950 are shown in Figures 1 and 2. Republican opposition in the House was nearly unanimous under Democratic administrations, and, after initial support, declined sharply throughout Republican administrations. On the other hand, House Democrats were either divided or tended to support the President regardless of his party and, except during Republican control in the 1980s, Senate Democrats tended to support raising the limit.

The Nixon presidency also marked the advent of what was to be a long period—interrupted by only the Carter administration—of divided government. Partisan disagreements between Congress and the executive inevitably slowed the policy-making process. As a result, members searched for alternative ways to accomplish legislative policy goals. Its must-pass nature made legislation increasing the statutory debt ceiling the perfect choice for riders. The increased frequency of these votes, spurred by rapidly rising debt, only increased their attraction. By the 1980s, the debt ceiling bill as a vehicle for amendments had become the norm. Legislative deadlock and the constraint of deficits elevated their political salience and convenience, but were still no guarantee that the proposals would be adopted.

What of the future? After nearly half a century, the importance of debt legislation may have reached its peak in the late 1980s. The institution of budget summits and the Budget Enforcement Act may have reduced the debt ceiling to a minor issue in comparison with long-term taxing and spending decisions. Those same long-term agreements will not only diminish the frequency of the votes but also their potency as a partisan tool and a legislative device as well. Until new precedents are clearly established, it is too soon to draw the final curtain on the importance of statutory debt limitation.

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Notes

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1. All the Senate votes taken during this period were voice votes with the exception of a vote in 1960 on HR 12381, which was passed 84-0.
2. For a discussion of the issues and controversy surrounding the sale of Participation Certificates (PC's), see *Congressional Quarterly Almanac*, 1967, p. 317.
3. The provisions were actually deleted in a second House-Senate conference on the measure. The first conference report granted the President

considerable leeway in this regard, and it was rejected by the Senate, 27-39.

4. In 1978, for example, it was estimated that a lapse in the statutory authority cost the Treasury approximately $15 million. In 1984, Treasury Secretary Regan wrote Congress that postponements of two October auctions would cost $400 million in higher interest.

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