"Gramm-Rudman-Hollings Balanced Budget Act"

Wikipedia


Senators Ernest Hollings (D-South Carolina), Warren Rudman (R-New Hampshire) and Phil Gramm (R-Texas) were the chief sponsors. The Acts were aimed at cutting the budget deficit, which at the time was the largest in history. They provided for automatic spending cuts (called "sequesters") if the deficit exceeded a set of fixed deficit targets. The process for determining the amount of the automatic cuts was found unconstitutional in the case of Bowsher v. Synar, 478 U.S. 714 [3] (1986) and Congress enacted a reworked version of the law in 1987. Gramm-Rudman failed, however, to prevent large budget deficits. The Budget Enforcement Act of 1990 supplanted the fixed deficit targets.

Balanced budgets did not actually emerge until the late 1990s when budget surpluses emerged.

Further reading


References

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