EXHIBIT 1
DATE 3/12/2013
SB SJ 18

63rd Legislature SJ0018.02

SENATE JOINT RESOLUTION NO. 18

INTRODUCED BY F. THOMAS

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA URGING THE MONTANA CONGRESSIONAL DELEGATION AND THE PRESIDENT OF THE UNITED STATES OF AMERICA TO INITIATE A PROCESS WHEREIN THE FEDERAL GOVERNMENT MUST ~~ANNUALLY PRODUCE A BALANCED BUDGET,~~ LOWER ~~ANNUAL~~ FEDERAL DEFICIT SPENDING LEVELS~~,~~ AND REDUCE THE NATIONAL DEBT.

~~WHEREAS, the fiscal policies of the United States federal government have placed our country on an untenable path, creating unprecedented debt, hindering job creation, and threatening future generations of Montanans with a bleak future; and~~

~~WHEREAS, high levels of debt directly threaten the ability of a government to control its own budget priorities; and~~

~~WHEREAS, our nation's fiscal crisis threatens our economy and national security, has contributed to a loss of trust in government, and exposes individual states to dire economic times; and~~

~~WHEREAS, the federal government in 2011 raised the debt ceiling to prevent the United States from facing its first ever default; and~~

~~WHEREAS, the interest expense on our national debt exceeds $151 billion for fiscal year 2013, and by 2023, interest on the national debt is estimated to be nearly $900 billion; and~~

~~WHEREAS, payments on our nation's debt exceed $200 billion annually, and as a result, the credit rating of the United States in 2011 was lowered for the first time; and~~

~~WHEREAS, by borrowing revenue from the future and spending it today, our nation's debt is being passed on to future generations who have no say in the decisionmaking process; and~~

~~WHEREAS, passing our debt to the next generation is contradictory to the American principle of leaving our nation, states, and local communities in better shape than we found them; and~~

~~WHEREAS, the federal debt threatens the livelihood of Montana's veterans; and~~

~~WHEREAS, the federal cost of Medicaid expansion across all states is projected to add $931 billion or nearly $1 trillion to the national debt; and~~

WHEREAS, Montana and 48 other states are required by law to pass balanced budgets; and

WHEREAS, nearly all states are constitutionally required to produce balanced budgets, and although economic conditions vary and demand for government services may increase, leaders are required to make difficult decisions in accordance with the fundamental principles of fiscal prudence; and

~~WHEREAS, the people of Montana expect and demand the same of our federal government; and~~

~~WHEREAS, the federal government has failed to approve a budget since 2009 and has not produced a balanced budget since 2001; a budget is not only a constitutional requirement, it is a fundamental responsibility and a reflection of principles and vision; and~~

WHEREAS, that which cannot continue, will not.

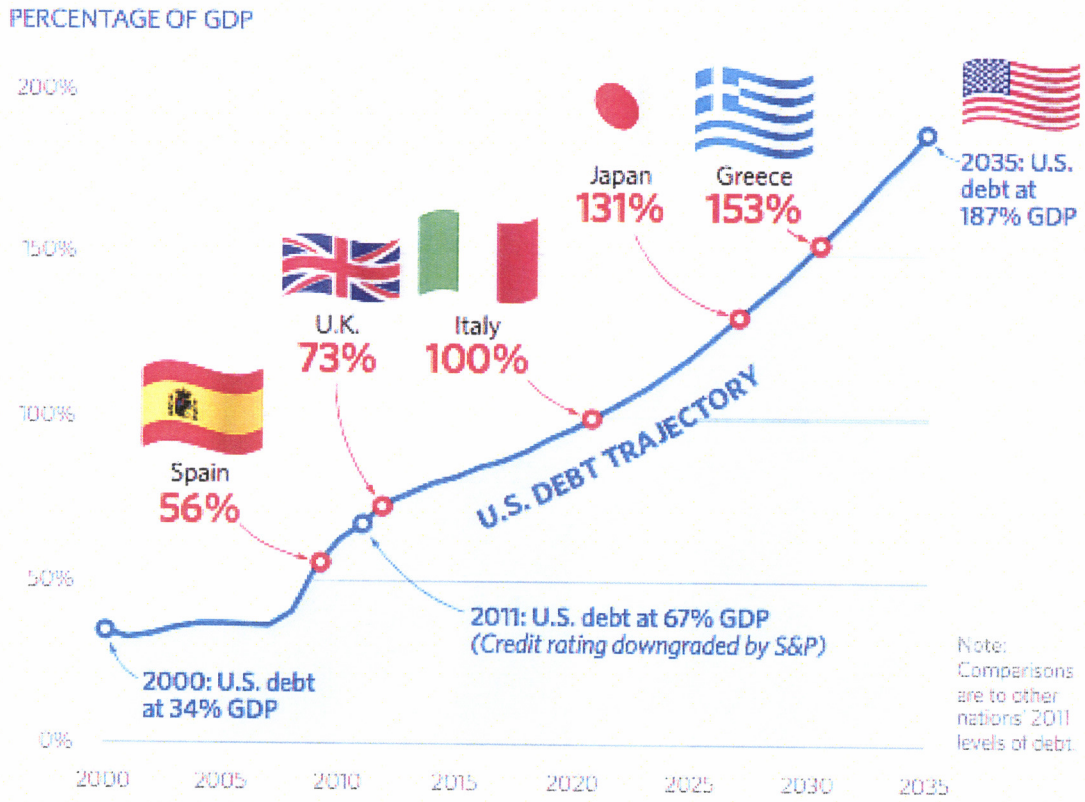
NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Legislature of the State of Montana hereby calls upon the Montana Congressional Delegation and the President of the United States of America to initiate a process wherein the federal government must ~~annually produce a balanced budget,~~ lower ~~annual~~ federal deficit spending levels~~;~~ and reduce the national debt.

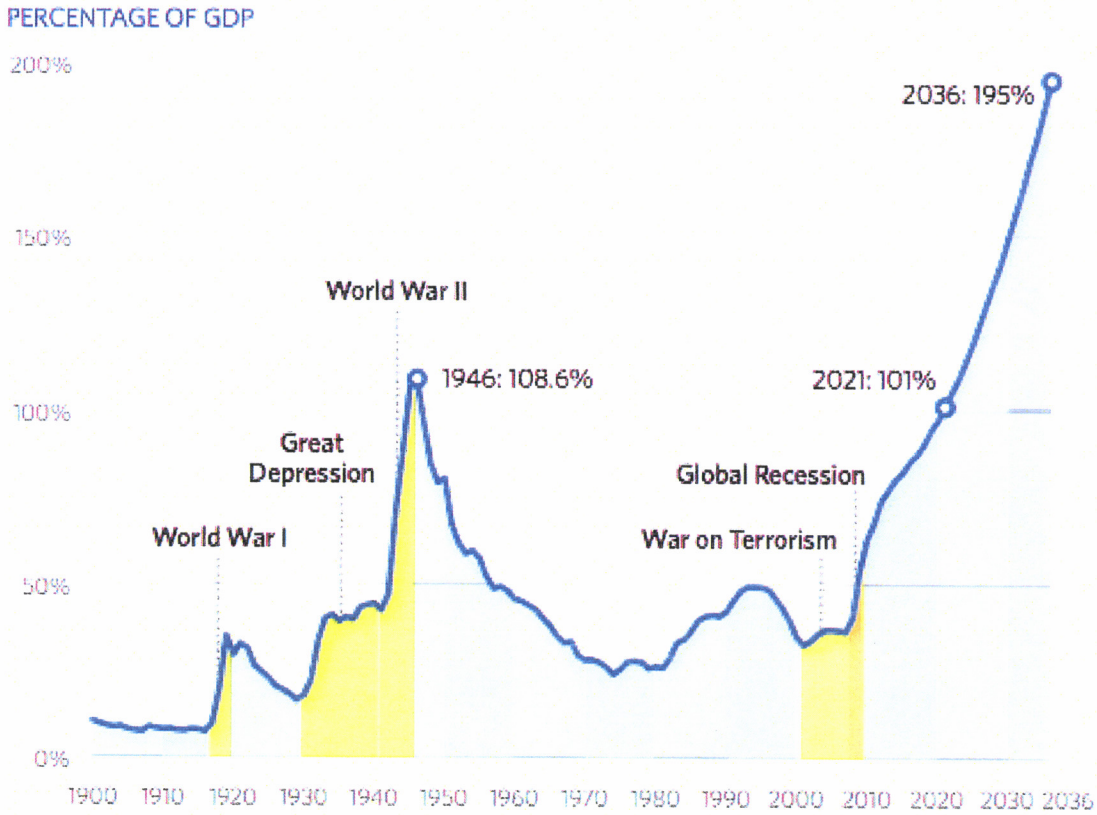
BE IT FURTHER RESOLVED, that the Secretary of State send a copy of this resolution to each member of the Montana Congressional Delegation and the President of the United States.

- END -

U.S. Debt on Track to Fuel Economic Crisis Similar to Other Countries



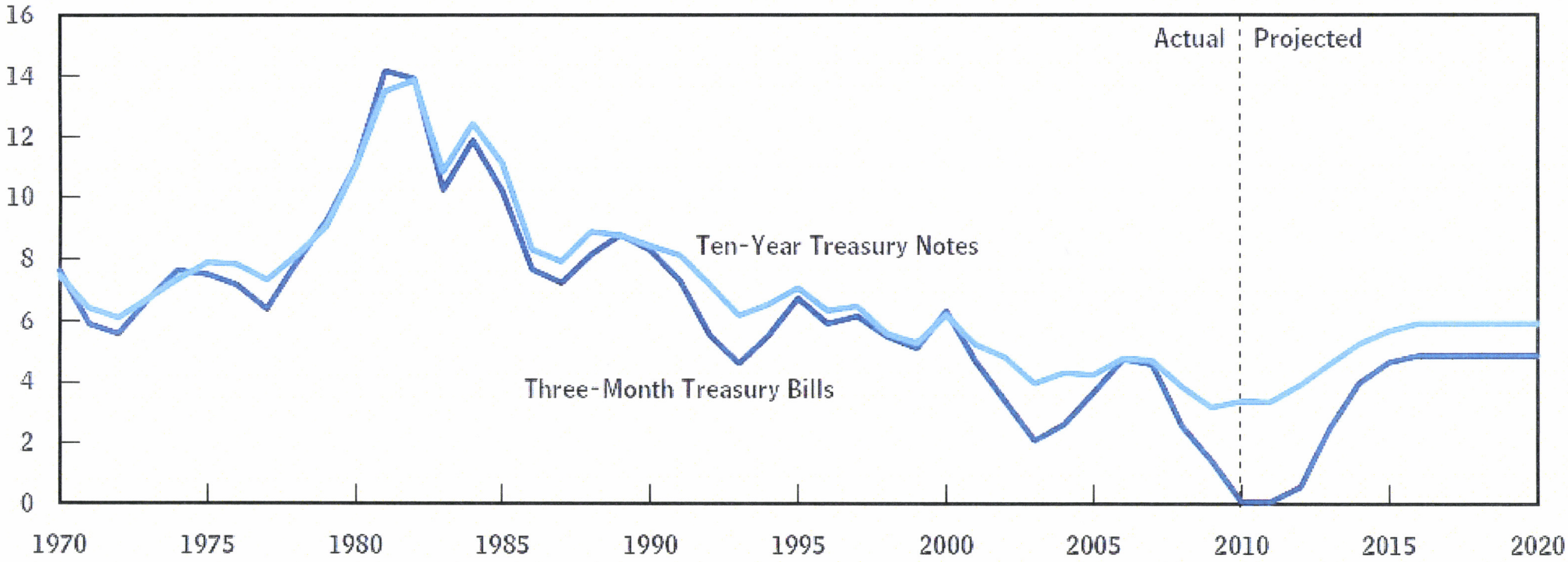
Publicly Held Debt Set to Skyrocket



Source: Congressional Budget Office (Alternative Fiscal Scenario).

Interest Rates on Three-Month Treasury Bills and Ten-Year Treasury Notes, 1970 to 2020

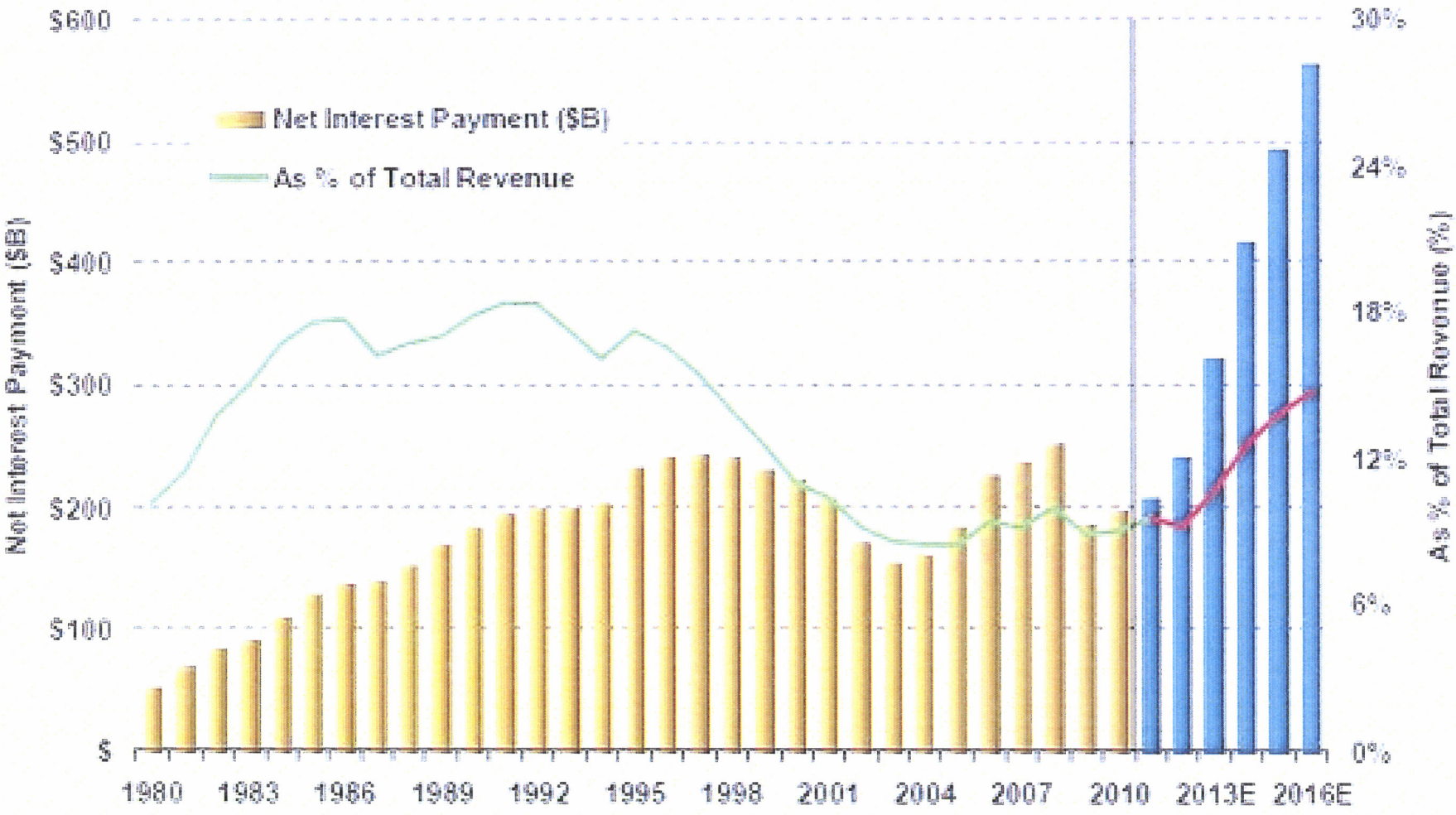
(Percent)



Source: Congressional Budget Office; historical data are based on information from the Federal Reserve.

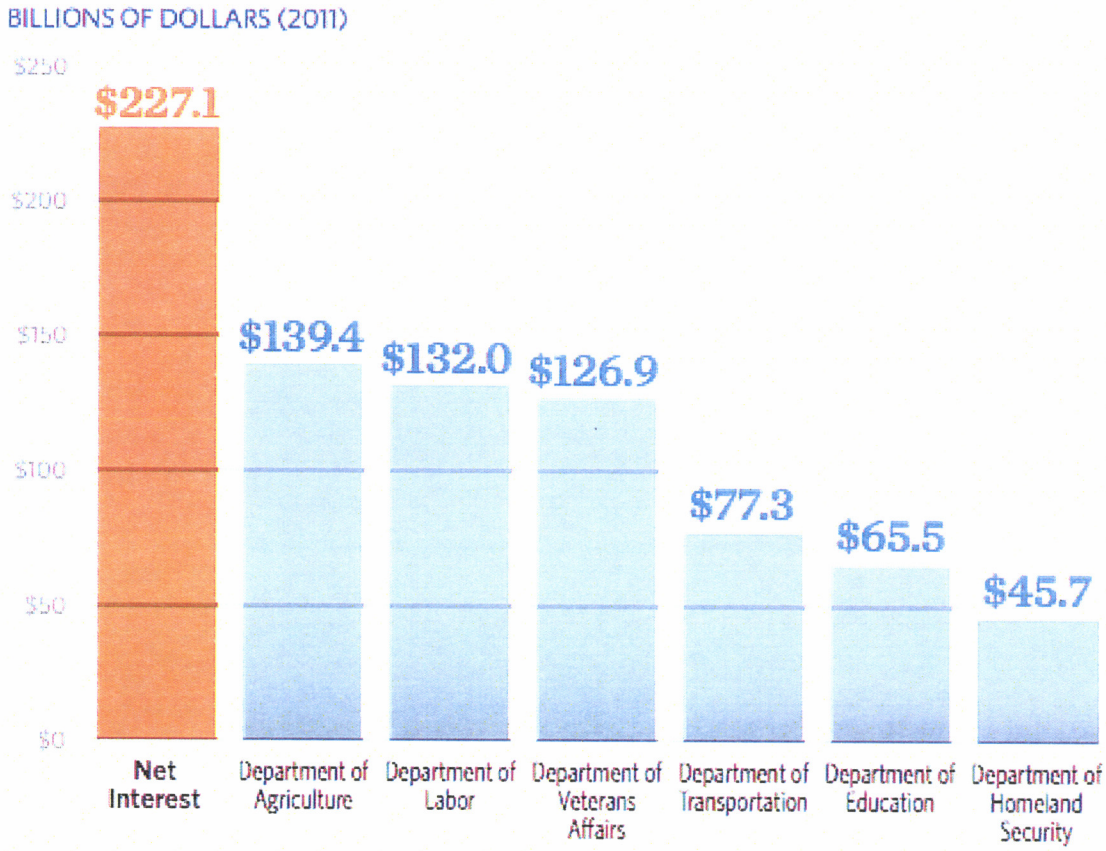
Effective Interest Rates: If Debt Levels & Interest Rates Rise Dramatically Beyond 2010, Net Interest Payments Could Soar

USA Net Federal Debt Outstanding & As Percent of Total Revenue, 1980 – 2016E

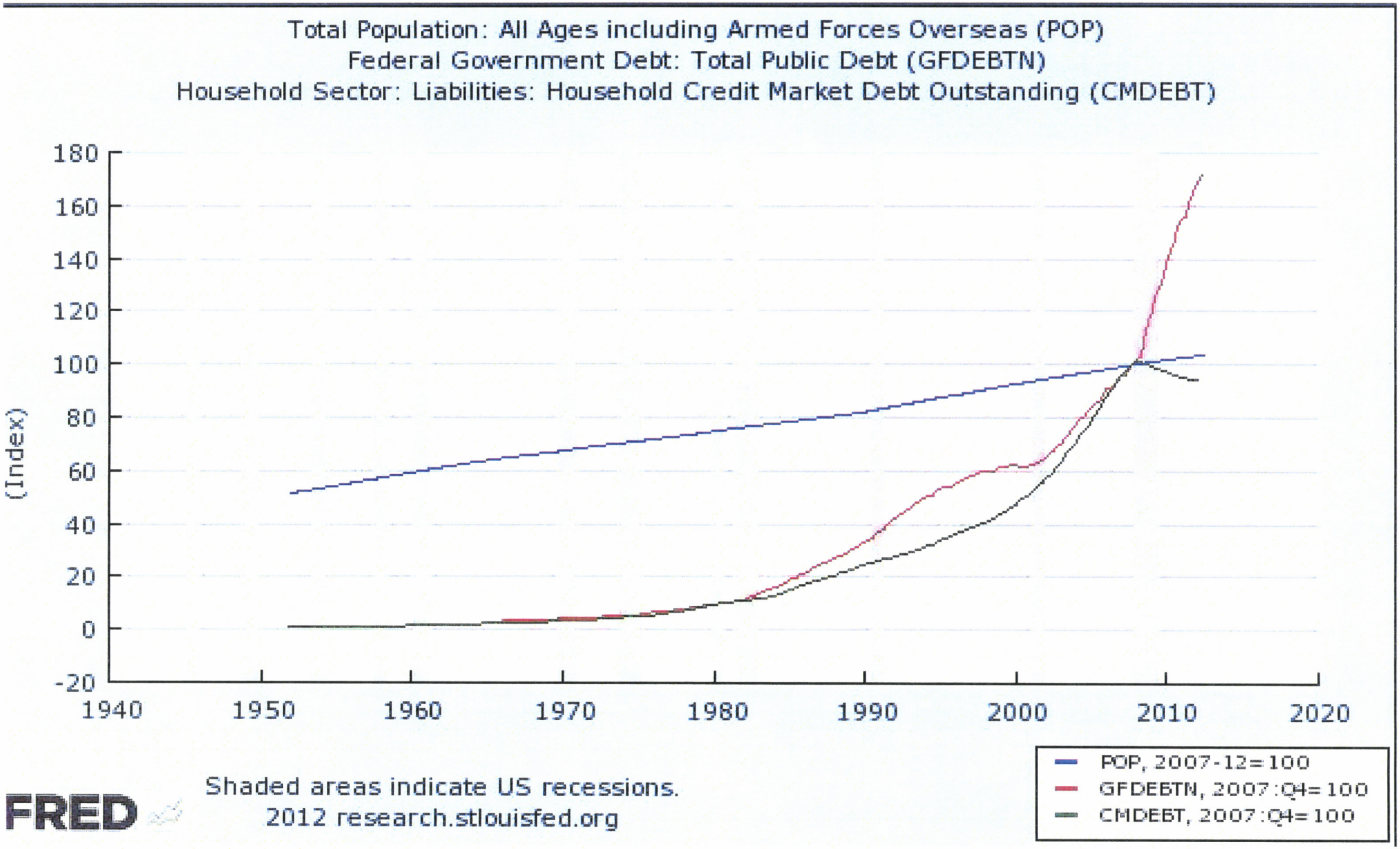


Note: CAGR is compound annual growth rate. Source: White House Office of Management and Budget

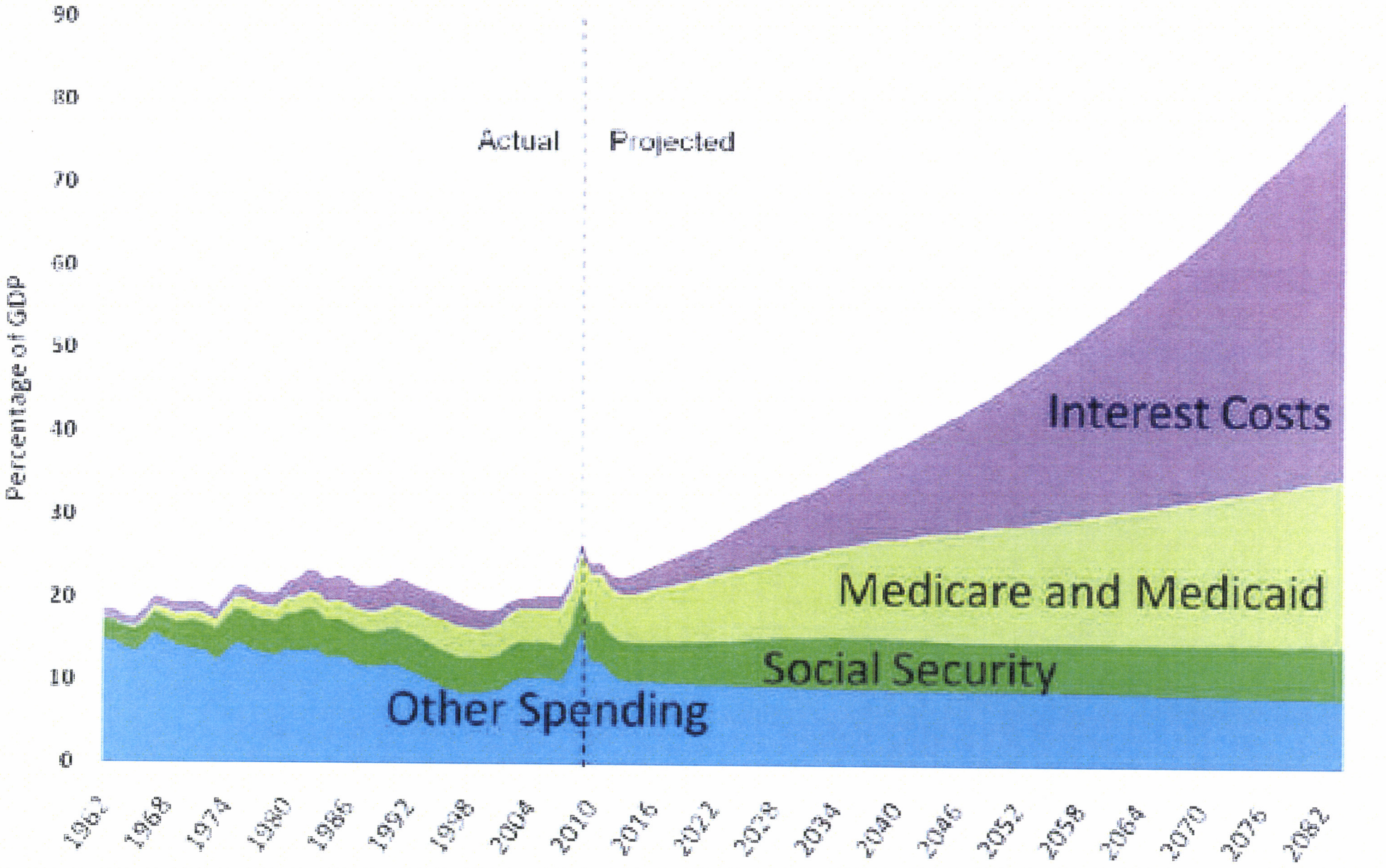
Interest on the National Debt Exceeds Spending for Many Programs



Source: Office of Management and Budget.


Total Population: All Ages including Armed Forces Overseas (POP)
Federal Government Debt: Total Public Debt (GFDEBTN)
Household Sector: Liabilities: Household Credit Market Debt Outstanding (CMDEBT)
(Index)
180
160
140
120
100
80
60
40
20
0
-20
1940
1950
1960
1970
1980
1990
2000
2010
2020
POP, 2007-12=100
GFDEBTN, 2007:Q4=100
CMDEBT, 2007:Q4=100
Shaded areas indicate US recessions.
2012 research.stlouisfed.org
FRED

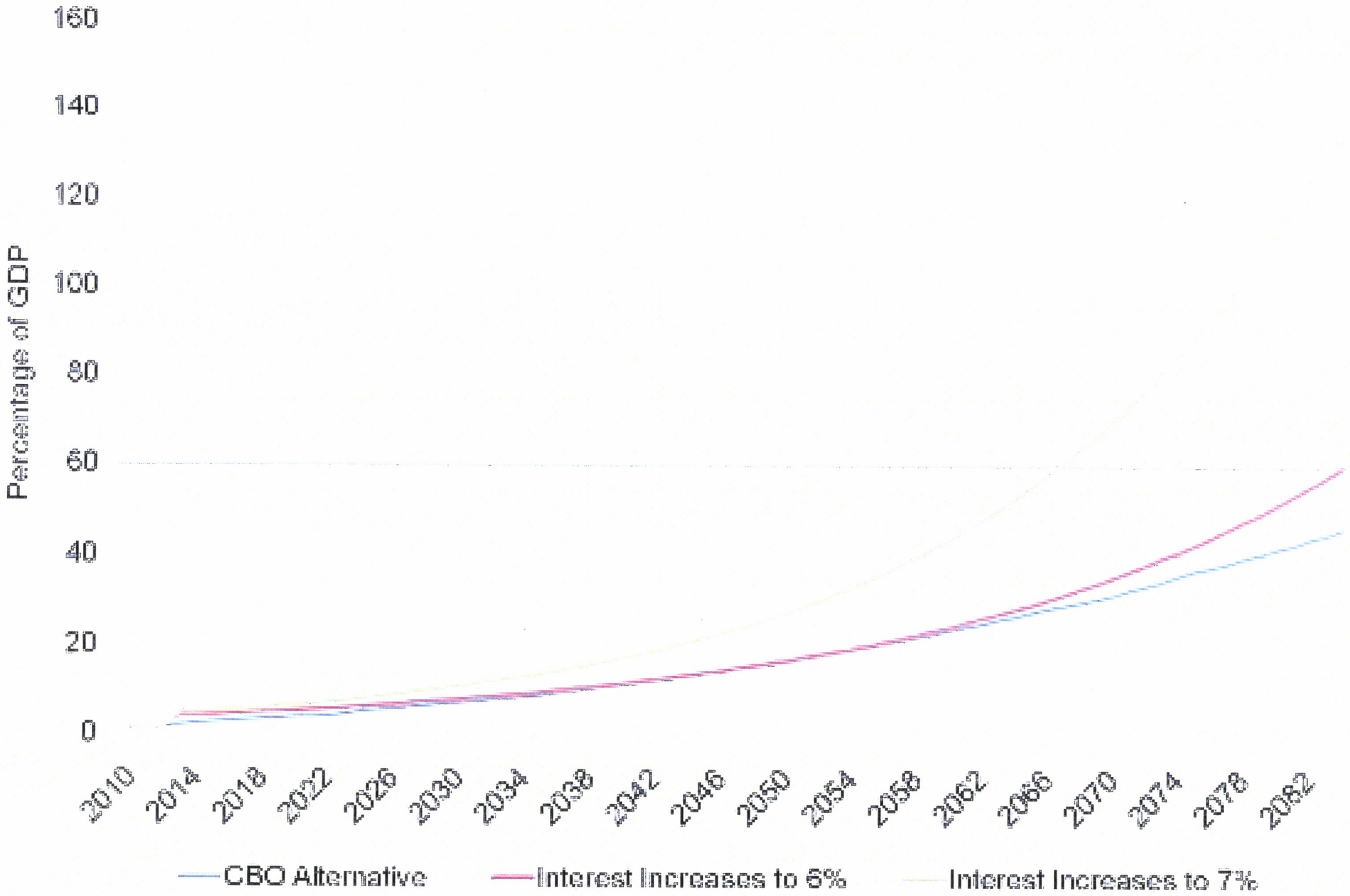
Cost of the Debt Drives Long-Term Spending Explosion



Source: Congressional Budget Office

Produced by: Veronique de Rugy, Mercatus Center at George Mason University

Projected Interest Payments on Federal Debt Balloon



Source: *Congressional Budget Office, Long-Term Budget Outlook, Author's Calculations*
Produced by: Mercatus Center at George Mason University