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Series: Sununu, John, Files
Subseries: Issues Files

OA/ID Number: 29139
Folder ID Number: 29139-002

Folder Title:
Post Budget Summit [1990] [3]

Stack:

G

Row:

15

Section:

24

Shelf:

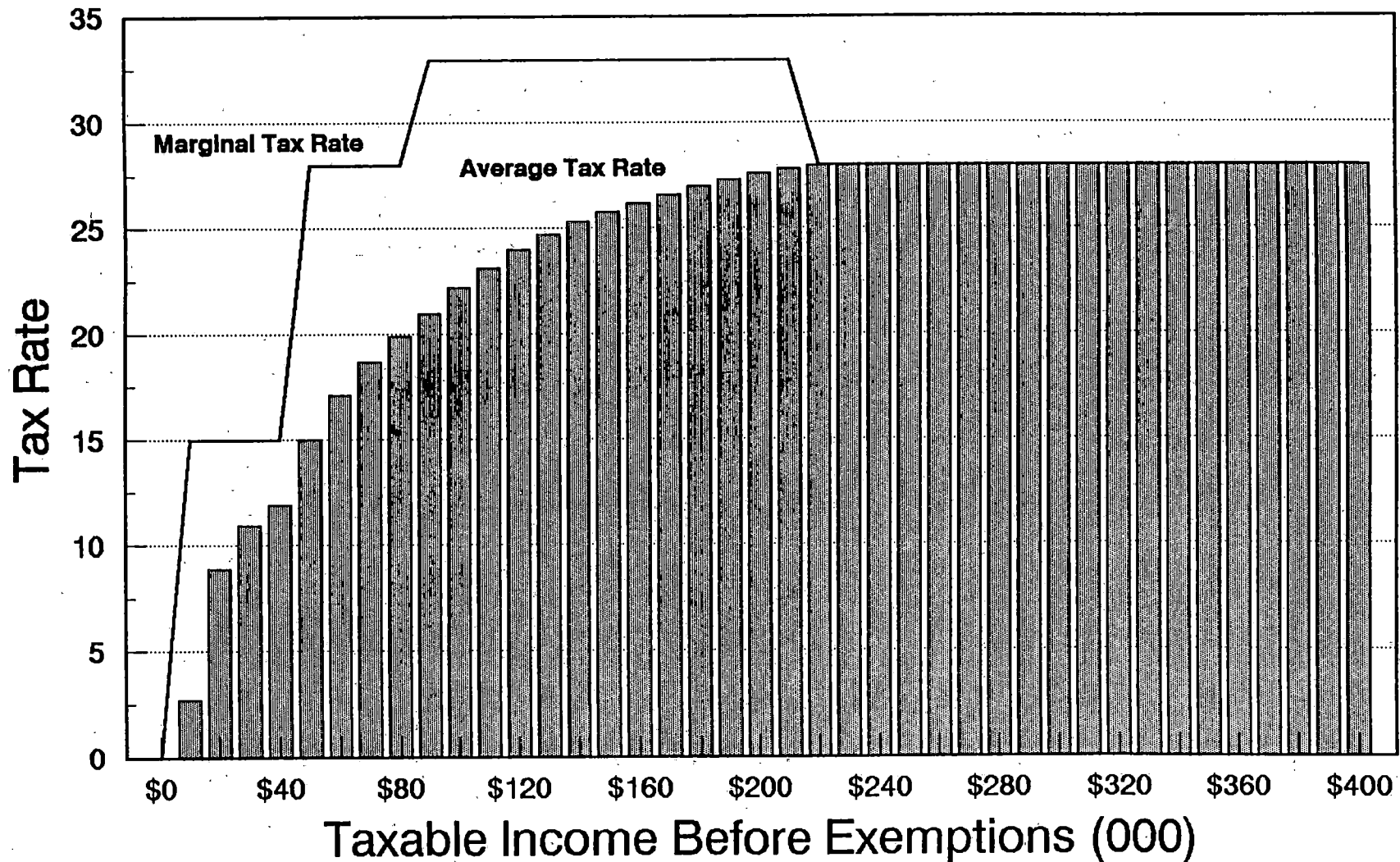
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Position:

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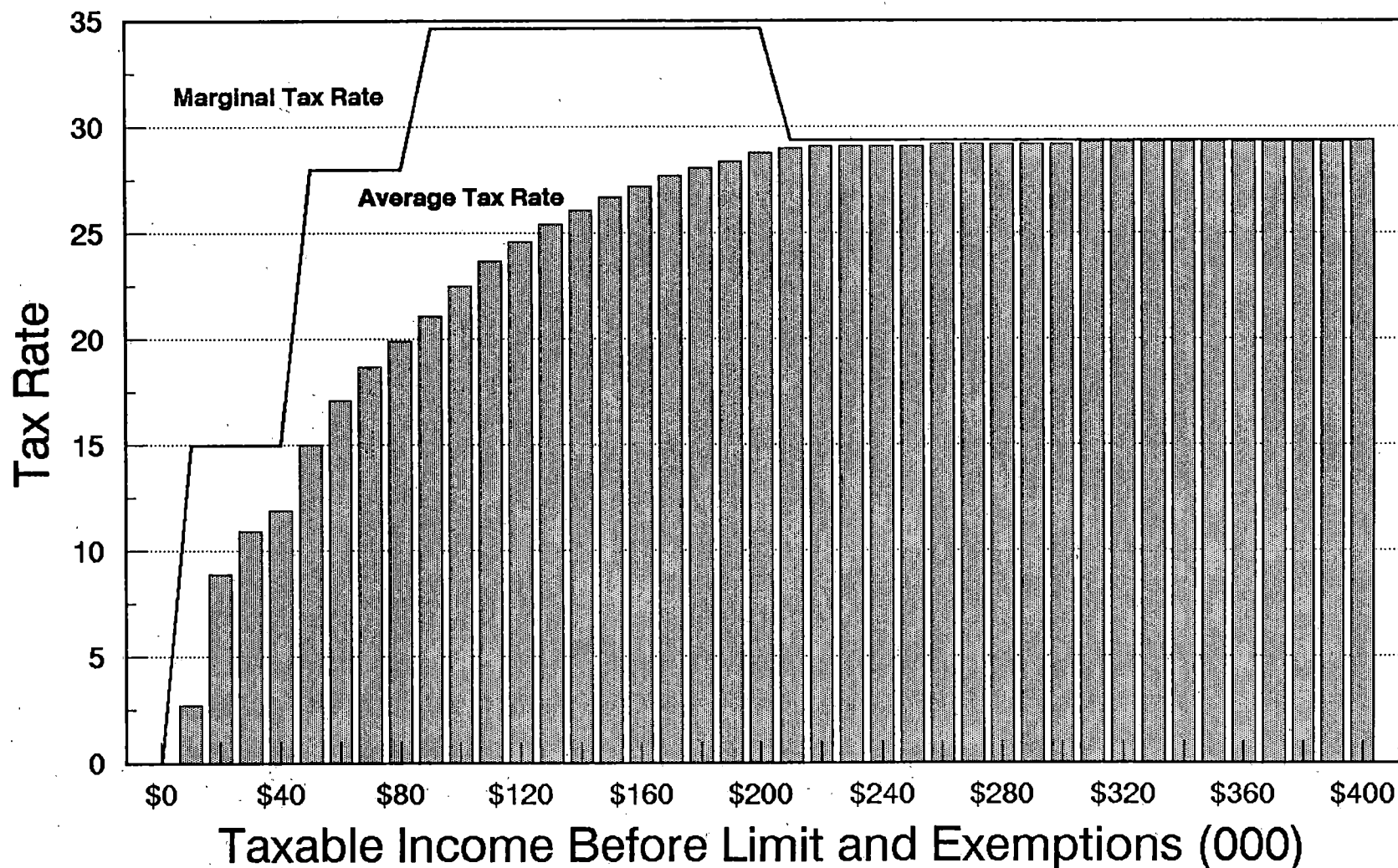
CURRENT LAW TAX RATES

JOINT RETURNS, FOUR EXEMPTIONS



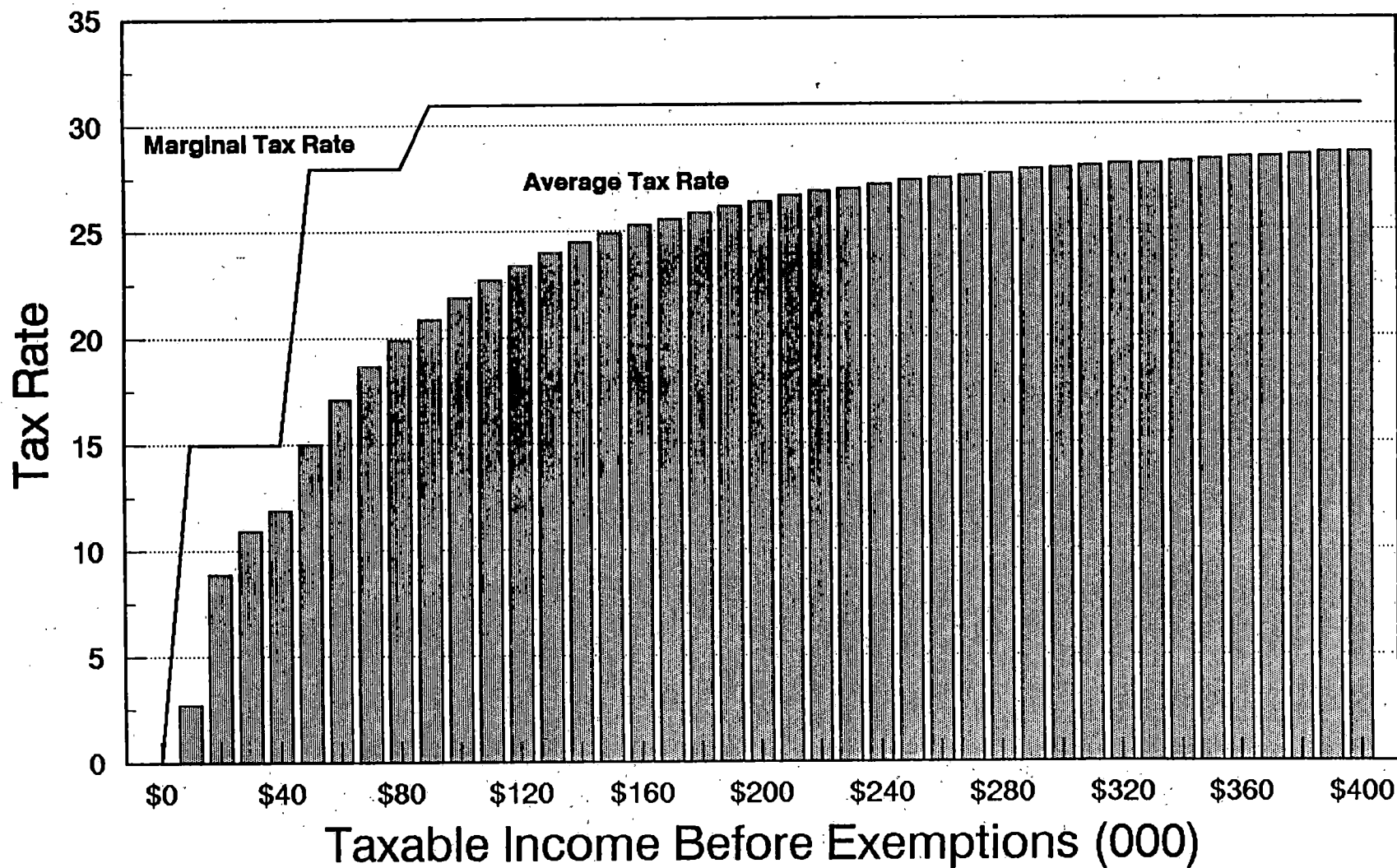
CURRENT RATES and 5% ITEMIZED DEDUCTION LIMIT

JOINT RETURNS, FOUR EXEMPTIONS

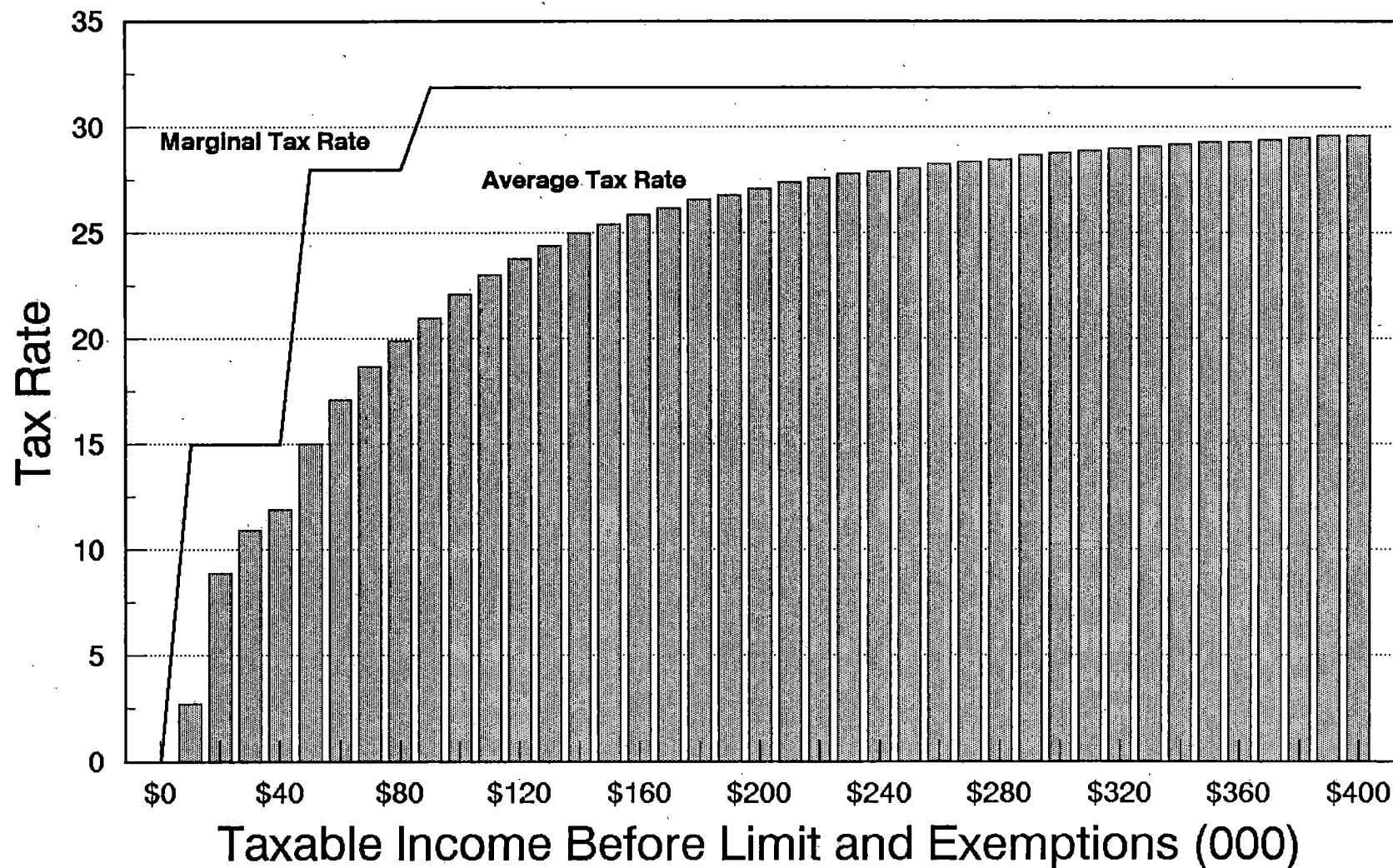


31% TOP RATE

JOINT RETURNS, FOUR EXEMPTIONS

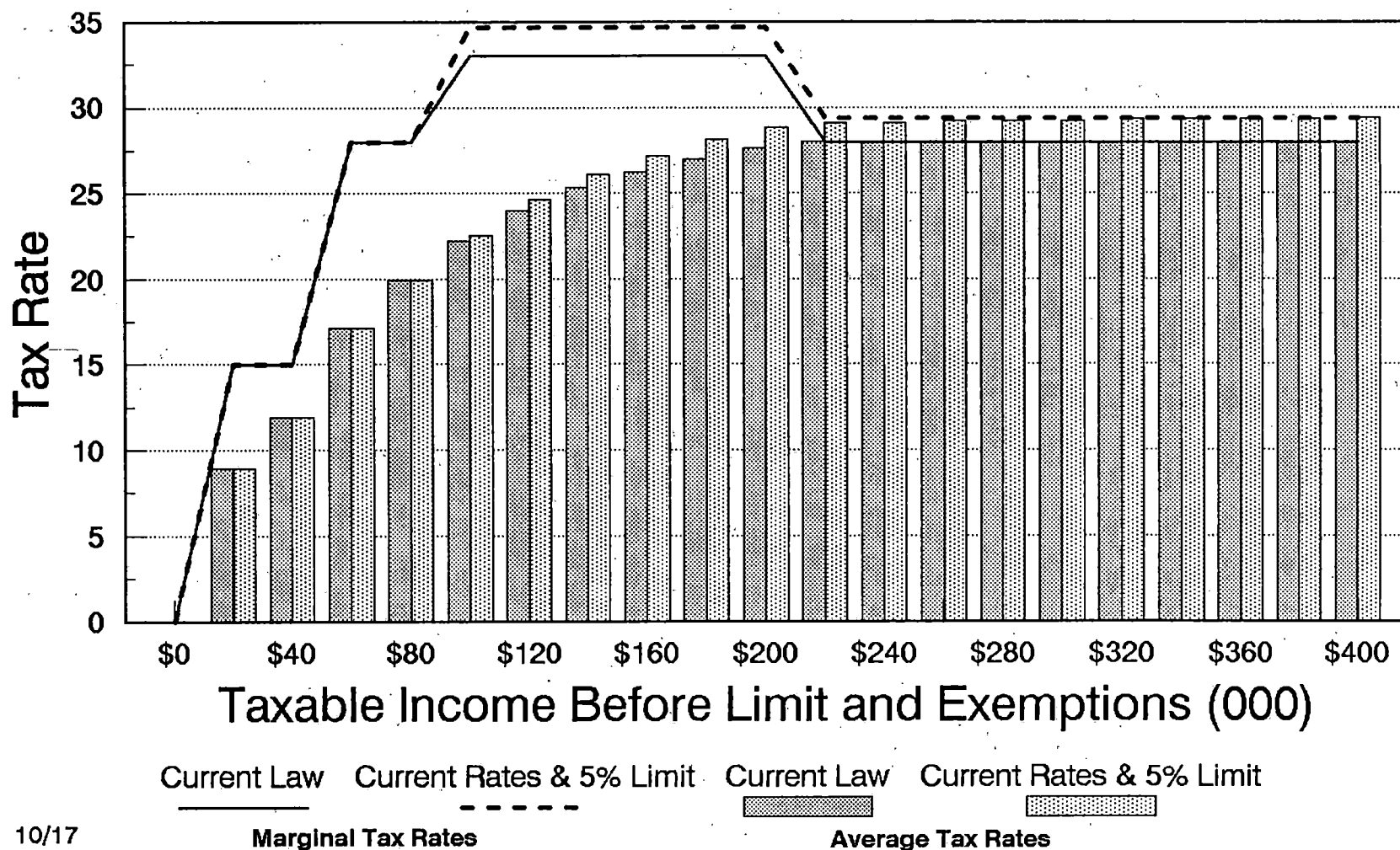


31% TOP RATE and 3% ITEMIZED DEDUCTION LIMIT JOINT RETURNS, FOUR EXEMPTIONS



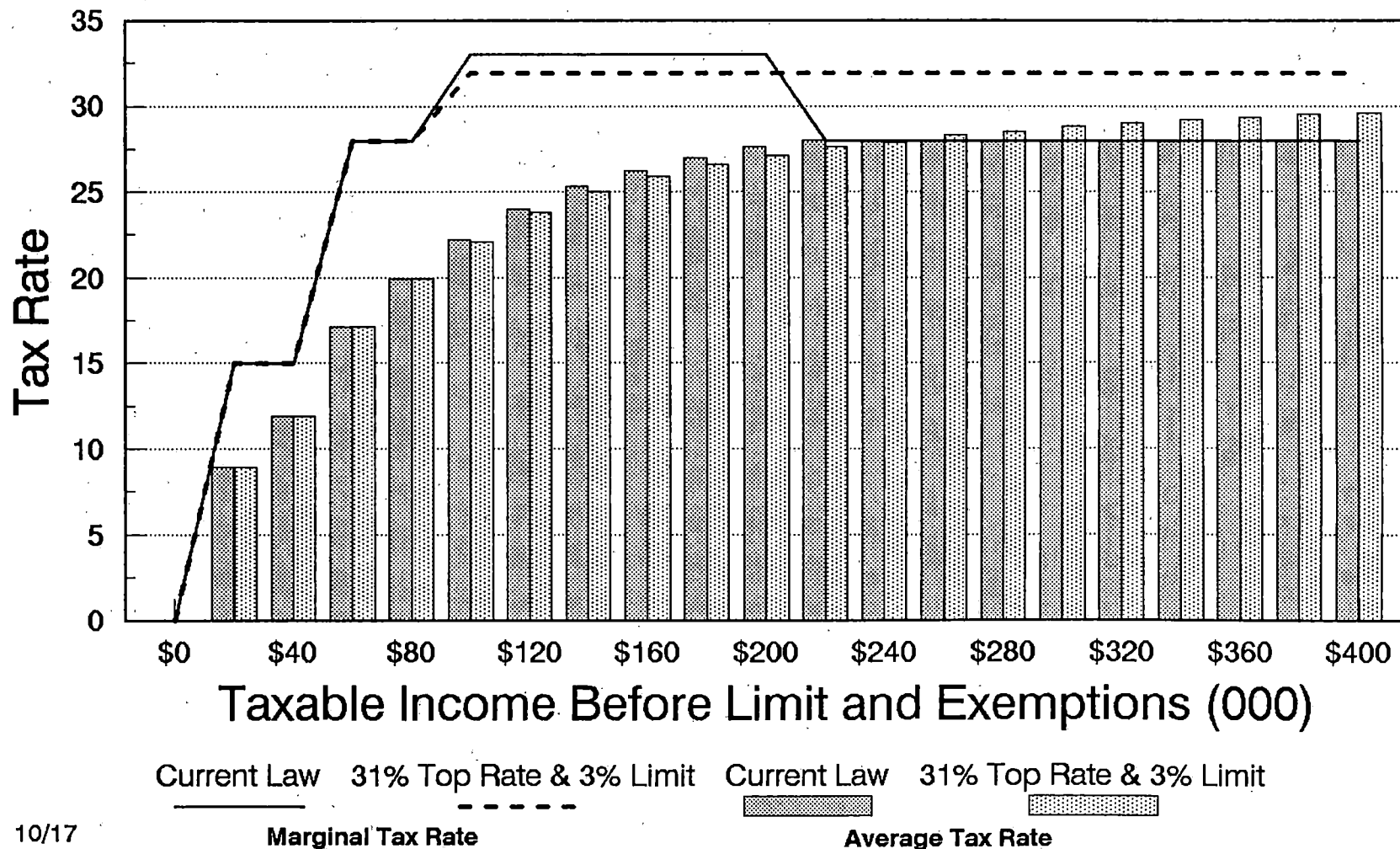
CURRENT LAW TAX RATES VERSUS CURRENT RATES and 5% ITEMIZED DEDUCTION LIMIT

JOINT RETURNS, FOUR EXEMPTIONS

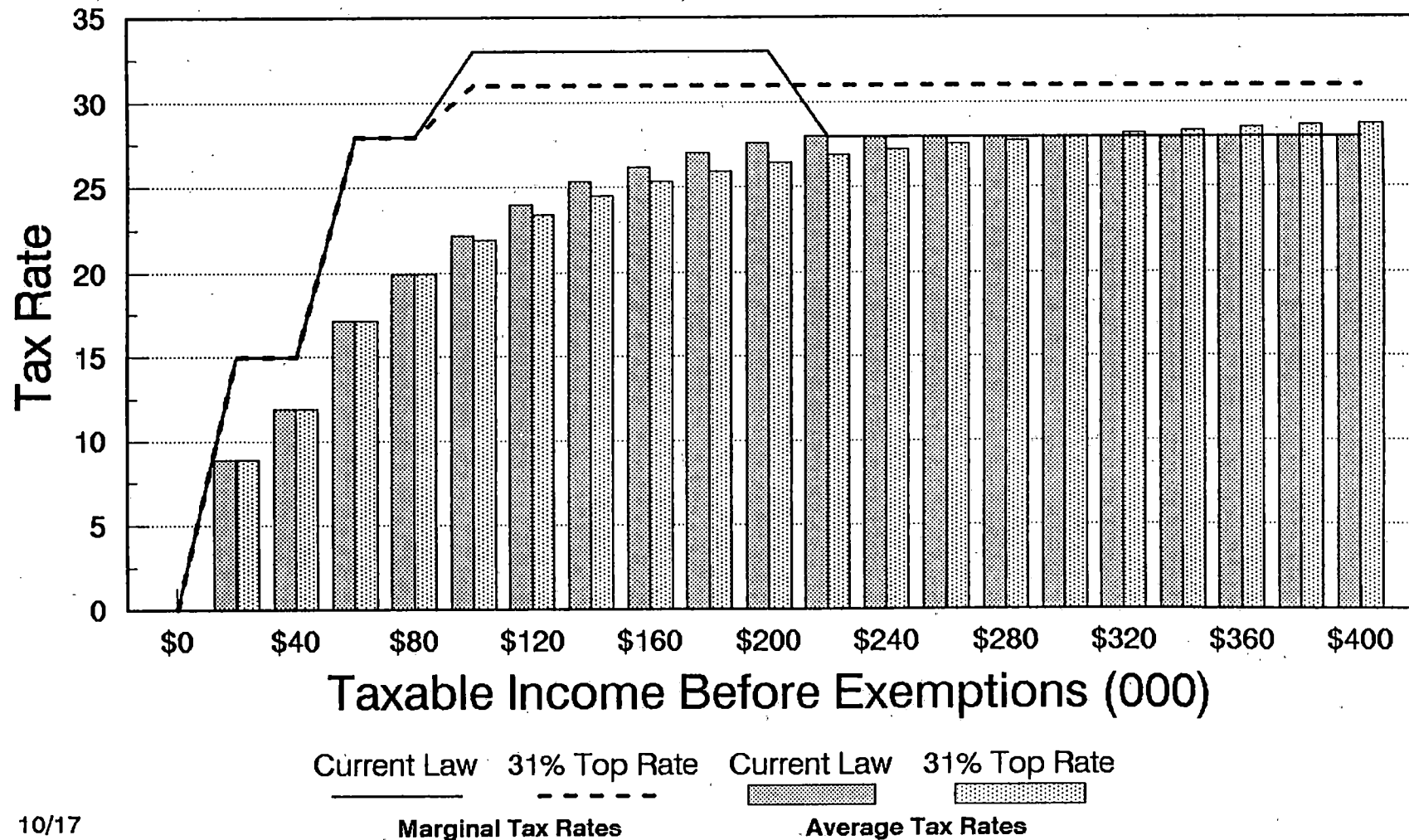


CURRENT LAW TAX RATES VERSUS 31% TOP RATE and 3% ITEMIZED DEDUCTION LIMIT

JOINT RETURNS, FOUR EXEMPTIONS



CURRENT LAW TAX RATES VERSUS 31% TOP RATE JOINT RETURNS, FOUR EXEMPTIONS



10/17/90
04:03 PM
Recon

JOINT COMMITTEE ON TAXATION ESTIMATES
Comparison of Budget Summit Agreement With
House and Senate Reconciliation Bills
(in billions of dollars)

	Summit Agreement		House				Senate Reported	
			Committee Agreement		House Passed			
	1991	1991-95	1991	1991-95	1991	1991-95	1991	1991-95
Delay indexing.....	---	---	---	---	4.100	36.000	---	---
Extend FUTA surtax.....	---	---	---	---	0.800	5.400	0.800	5.400
Extend telephone tax/ modify collection.....	---	---	---	---	---	---	1.600	13.100
Energy taxes:								
Motor fuels tax.....	5.400	45.000	5.300	41.800	---	---	4.600	42.600
Petroleum tax.....	1.400	11.800	1.600	11.000	---	---	---	---
Gas guzzler tax.....	---	---	---	---	0.100	0.500	---	---
Tobacco tax.....	0.600	5.900	0.600	5.900	0.500	5.800	0.600	5.900
Beer, wine, distilled spirits tax.....	1.500	10.000	1.500	9.900	1.400	9.300	1.400	9.100
Luxury tax.....	0.200	1.900	0.300	2.800	0.300	2.800	0.200	2.100
Ozone tax.....	0.100	0.500	0.100	0.500	0.100	0.500	0.100	0.500
Insurance company loss/ salvage values.....	0.300	1.100	0.300	1.100	0.200	0.600	0.300	1.100
Foreign compliance.....	*	0.300	*	0.300	*	0.300	*	0.300
Insurance deferred acquisition expense.....	1.500	8.000	1.500	8.000	1.500	8.000	1.500	8.000
LUST taxes.....	0.100	0.600	0.100	0.600	0.100	0.600	0.100	0.600
Aviation taxes.....	1.300	11.800	1.400	11.900	1.400	11.900	1.300	11.800
Harbor maintenance tax.....	0.300	1.800	0.300	1.800	0.300	1.800	0.300	1.800
Retiree health reversion.....	0.500	1.000	0.500	0.900	0.500	0.900	0.500	1.000
State and local HI.....	---	5.200	---	5.200	---	---	---	5.200
Corporate interest deduction disallowed.....	1.400	3.900	1.400	3.900	---	---	3.500	4.100
Certain business taxes.....	0.200	2.000	0.100	1.300	0.100	1.300	0.100	1.300
Itemized deductions limitation.....	0.500	18.000	0.600	18.200	---	---	0.900	29.700
HI wage cap increase.....	0.900	13.000	0.900	13.000	1.500	22.000	1.300	19.000
State and local social security.....	2.000	11.700	2.000	11.700	1.300	10.000	---	8.100

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Recon

JOINT COMMITTEE ON TAXATION ESTIMATES
Comparison of Budget Summit Agreement With
House and Senate Reconciliation Bills
(in billions of dollars)

	Summit Agreement		House				Senate Reported	
			Committee Agreement		House Passed			
	1991	1991-95	1991	1991-95	1991	1991-95	1991	1991-95
<u>Revenue losers:</u>								
Enterprise zones.....	---	-1.000	---	---	---	---	---	---
Energy Incentives.....	-0.400	-4.000	---	---	---	---	-0.200	-3.500
Extensions:								
R&E credit.....	-0.600	-1.200	---	---	---	---	-0.600	-1.200
Housing credit.....	-0.200	-1.700	---	---	---	---	-0.200	-1.900
Other.....	---	---	---	---	---	---	-1.300	-2.500
Growth incentives:								
Minimum basis.....	0.200	-0.700	---	---	---	---	---	---
30% R&D credit.....	-0.100	-0.400	---	---	---	---	---	---
Stock purchases								
deduction.....	-0.400	-7.300	---	---	---	---	---	---
Common stock								
indexing.....	*	-0.400	---	---	---	---	---	---
Expand expensing.....	-2.800	-1.900	---	---	---	---	-0.500	-2.700
Scientific equipment								
expensing.....	-0.500	-0.300	---	---	---	---	---	---
Corporate phase-out								
reduction.....	-0.100	-0.500	---	---	---	---	---	---
Additional incentives.....	*	-0.600	---	---	---	---	0.100	-0.500
Capital gains:								
50% exclusion/\$200,000								
lifetime cap.....	---	---	---	---	2.200	-12.600	---	---
\$1,000 annual exclusion.....	---	---	---	---	*	-3.200	---	---
EITC increase.....	-0.100	-5.000	-0.100	-5.000	-0.100	-11.000	-0.100	-16.900
Subtotal, revenue								
losers.....	-5.000	-25.000	-0.100	-5.000	2.100	-26.800	-2.800	-29.100
<u>Revenue Raisers:</u>								
33% rate/25% AMT.....	---	---	---	---	4.500	50.000	---	---
10% surcharge/ income								
exceeding 1 million.....	---	---	---	---	0.600	7.600	---	---

10/17/90
04:03 PM
Recon

JOINT COMMITTEE ON TAXATION ESTIMATES
Comparison of Budget Summit Agreement With
House and Senate Reconciliation Bills
(in billions of dollars)

	Summit Agreement		House				Senate Reported	
			Committee Agreement		House Passed			
	1991	1991-95	1991	1991-95	1991	1991-95	1991	1991-95
Payroll tax deposit stabilization.....	1.000	0.000	1.000	0.000	1.000	0.000	1.000	0.000
Rail pension.....	0.025	0.200	0.025	0.200	---	---	0.025	0.200
Extend IRS user fee 1/.....	---	---	0.045	0.225	---	---	*	0.200
Subtotal, revenue raisers.....	19.225	153.700	19.570	149.925	20.300	175.400	20.325	171.200
TOTAL SUMMIT TAX PACKAGE.....	14.225	128.800	19.470	144.925	22.400	148.600	17.525	142.100
Unspecified changes.....	-1.000	-10.000	---	---	---	---	---	---
TOTAL NEW SUMMIT TAX PACKAGE.....	13.225	118.800	19.470	144.925	22.400	148.600	17.525	142.100
ADDENDUM								
TOTAL NEW SUMMIT TAX PACKAGE.....	13.225	118.800	19.470	144.925	22.400	148.600	17.525	142.100
OSHA/MSHA fee.....	0.095	1.130	0.119	1.432	0.119	1.432	0.088	1.123
IRS enforcement.....	3.000	9.300	3.037	9.334	3.037	9.334	2.500	3.590
TOTAL TAX AND RECEIPTS MEASURES.....	16.320	129.230	22.626	155.691	25.556	159.366	20.113	146.813

* \$50 million or less.

1/ This is treated as an outlay in the House-passed bill. To be consistent with current budget concepts and the Senate-reported bill, we are classifying this provision as a receipt.

Table 1

Q B9-90: Who do you think is more to blame for the current budget situation?
Which party in Congress do you think is more to blame for the current budget situation?
ROLLING THREE DAY AVERAGES

	10/15	10/4-10/7	10/6-10/8	10/7-10/9	10/8-10/10	10/9-10/11	10/10-10/13	10/11-10/14	10/13-10/15
BASE=TOTAL SAMPLE	200 100%	- -	- -	- -	200 100%	400 100%	600 100%	600 100%	600 100%
** D/S (BUSH - CONG)	-87 -44%	- -	- -	- -	-83 -42%	-150 -38%	-219 -36%	-217 -36%	-235 -39%
** D/S (GOP - DEM)	18 9%	- -	- -	- -	50 25%	67 17%	103 17%	83 14%	85 14%
<u>PRESIDENT BUSH</u>	26 13%	- -	- -	- -	42 21%	91 23%	137 23%	134 22%	111 19%
<u>CONGRESS</u>	114 57%	- -	- -	- -	125 63%	241 60%	356 59%	350 58%	346 58%
Republicans	27 13%	- -	- -	- -	39 20%	53 13%	76 13%	59 10%	71 12%
Democrats	34 17%	- -	- -	- -	31 15%	78 19%	110 18%	110 18%	98 16%
Neither/Blame both equally	38 19%	- -	- -	- -	34 17%	69 17%	106 18%	118 20%	118 20%
Don't know/Refused	15 7%	- -	- -	- -	21 11%	41 10%	64 11%	62 10%	59 10%
<u>NEITHER</u>	7 3%	- -	- -	- -	7 4%	10 3%	17 3%	18 3%	22 4%
<u>BLAME BOTH EQUALLY</u>	36 18%	- -	- -	- -	13 6%	32 8%	63 10%	74 12%	93 15%
<u>DON'T KNOW/REFUSED</u>	17 9%	- -	- -	- -	13 7%	25 6%	26 4%	23 4%	28 5%

PUBLIC OPINION TRAX / #5267-12 / OCTOBER 13 - OCTOBER 15, 1990

Table 2

Q B9-90: Who do you think is more to blame for the current budget situation?
Which party in Congress do you think is more to blame for the current budget situation?
B 2: SEX, AGE, ETHNICITY, FOUR-POINT GEOCODE

	SEX			AGE						ETHNICITY			4-POINT GEOCODE				TALKED ABOUT MIDDLE EAST	
	TOTAL	MALE	FEMALE	18-24	25-34	35-44	45-54	55-64	65+	CAUC- ASIAN	BLACK	OTHER	NORTH EAST	MID- WEST	SOUTH	WEST	YES	NO
BASE=TOTAL SAMPLE	600 100%	288 100%	312 100%	71 100%	152 100%	110 100%	71 100%	80 100%	113 100%	444 100%	66 100%	72 100%	138 100%	173 100%	197 100%	92 100%	89 100%	511 100%
** D/S (BUSH - CONG)	-235 -39%	-119 -41%	-116 -37%	-31 -44%	-76 -50%	-59 -53%	-30 -42%	-20 -25%	-21 -19%	-210 -47%	1 1%	-24 -33%	-58 -42%	-69 -40%	-75 -38%	-34 -37%	-44 -49%	-191 -37%
** D/S (GOP - DEM)	85 14%	26 9%	58 19%	3 4%	20 13%	7 7%	10 15%	15 18%	27 24%	28 6%	33 51%	16 23%	5 3%	30 17%	34 17%	16 18%	10 12%	74 15%
<u>PRESIDENT BUSH</u>	111 19%	45 16%	66 21%	13 19%	27 18%	18 17%	12 17%	17 21%	21 19%	68 15%	23 35%	16 22%	18 13%	34 20%	41 21%	18 19%	14 16%	97 19%
<u>CONGRESS</u>	346 58%	164 57%	182 58%	45 63%	103 68%	77 70%	42 59%	38 47%	42 38%	278 63%	23 34%	39 55%	76 55%	103 59%	116 59%	52 56%	58 65%	288 56%
Republicans	71 12%	31 11%	40 13%	6 8%	19 12%	16 14%	8 12%	8 10%	15 13%	49 11%	10 15%	10 13%	11 8%	27 16%	22 11%	11 12%	12 13%	59 12%
Democrats	98 16%	50 17%	48 15%	16 23%	26 17%	27 24%	10 14%	10 13%	9 8%	89 20%	- -	9 12%	25 18%	31 18%	30 15%	13 14%	16 18%	82 16%
Neither/Blame both equally	118 20%	59 20%	60 19%	11 15%	35 23%	24 22%	16 23%	19 24%	14 12%	98 22%	3 5%	16 23%	21 16%	29 17%	43 22%	25 27%	24 27%	94 19%
Don't know/Refused	59 10%	23 8%	35 11%	12 17%	23 15%	10 9%	8 11%	1 1%	5 5%	41 9%	9 14%	5 7%	19 14%	16 9%	20 10%	3 4%	6 7%	52 10%
<u>NEITHER</u>	22 4%	8 3%	14 4%	7 10%	4 2%	2 1%	1 1%	4 5%	5 4%	15 3%	1 1%	5 7%	8 6%	4 2%	5 3%	4 5%	1 1%	21 4%
<u>BLAME BOTH EQUALLY</u>	93 15%	60 21%	33 11%	5 8%	14 9%	9 8%	14 19%	18 23%	32 29%	68 15%	11 17%	6 9%	30 21%	28 16%	23 12%	12 13%	15 17%	77 15%
DON'T KNOW/REFUSED	28 5%	11 4%	17 5%	1 1%	4 3%	5 4%	3 4%	3 4%	12 11%	15 3%	8 12%	6 8%	5 4%	4 2%	12 6%	6 7%	1 1%	27 5%

THE WIRTHLIN GROUP

Oct 16, 90 8:16 No.001 P.05

TEL No. 703-556-9765

THE WIRTHLIN GROUP

Table 3

Q 89-90: Who do you think is more to blame for the current budget situation?

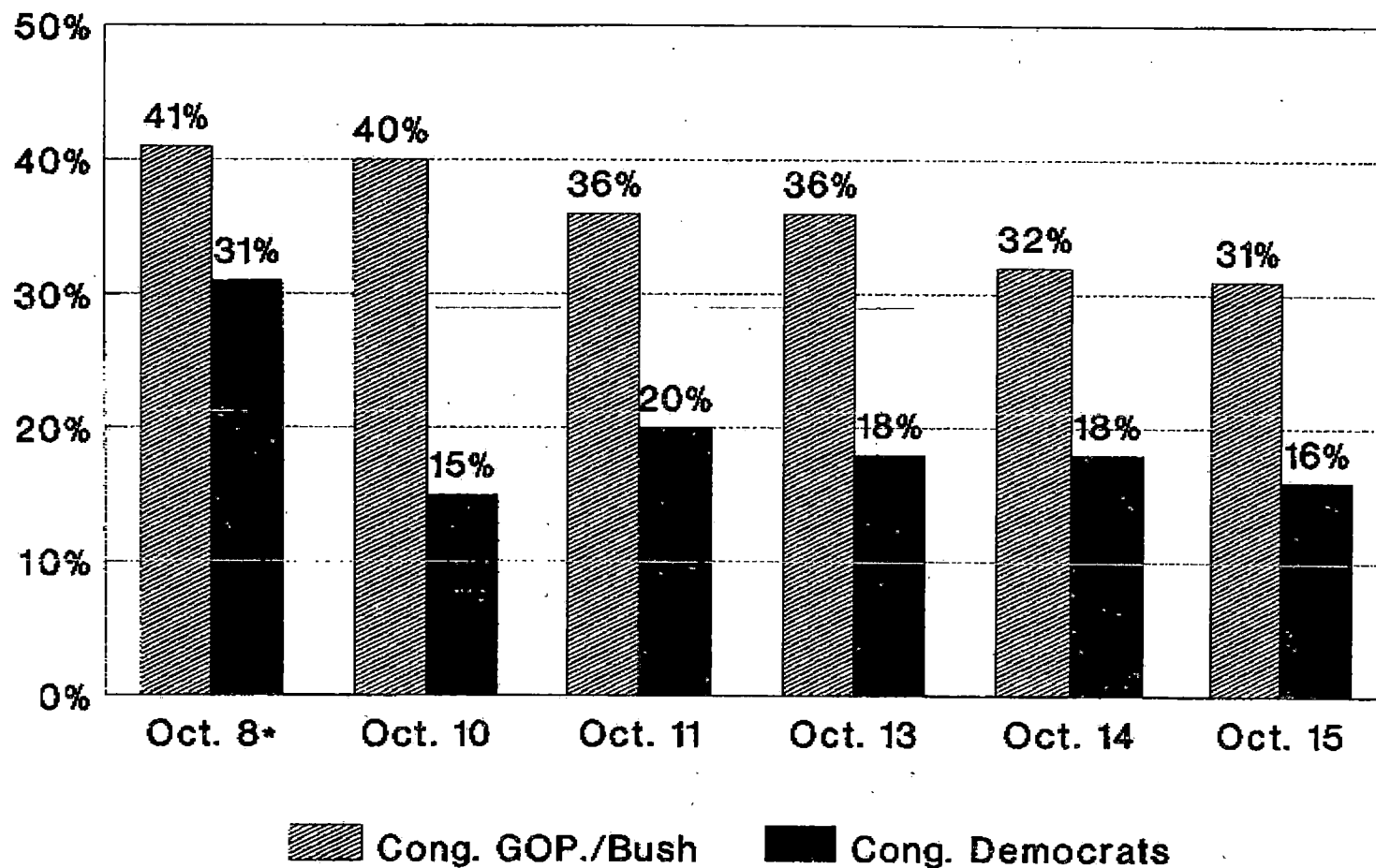
Which party in Congress do you think is more to blame for the current budget situation?

B 3: PARTY ID

PARTY ID				
=====				
	TOTAL	REP	DEM	IND

BASE=TOTAL SAMPLE	600	203	259	138
	100%	100%	100%	100%
** D/S (BUSH - CONG)	-235	-128	-49	-58
	-39%	-63%	-19%	-42%
** D/S (GOP - DEM)	85	-52	123	13
	14%	-25%	48%	9%
<u>PRESIDENT BUSH</u>	111	20	72	19
	19%	10%	28%	14%
<u>CONGRESS</u>	346	148	121	77
	58%	73%	47%	56%
Republicans	71	8	57	6
	12%	4%	22%	4%
Democrats	98	80	6	12
	16%	39%	2%	9%
Neither/Blame both equally	118	46	30	42
	20%	23%	11%	31%
Don't know/Refused	59	14	28	17
	10%	7%	11%	12%
<u>NEITHER</u>	22	7	13	2
	4%	3%	5%	2%
<u>BLAME BOTH EQUALLY</u>	93	27	36	30
	15%	13%	14%	21%
DON'T KNOW/REFUSED	28	1	17	10
	5%	+	7%	8%

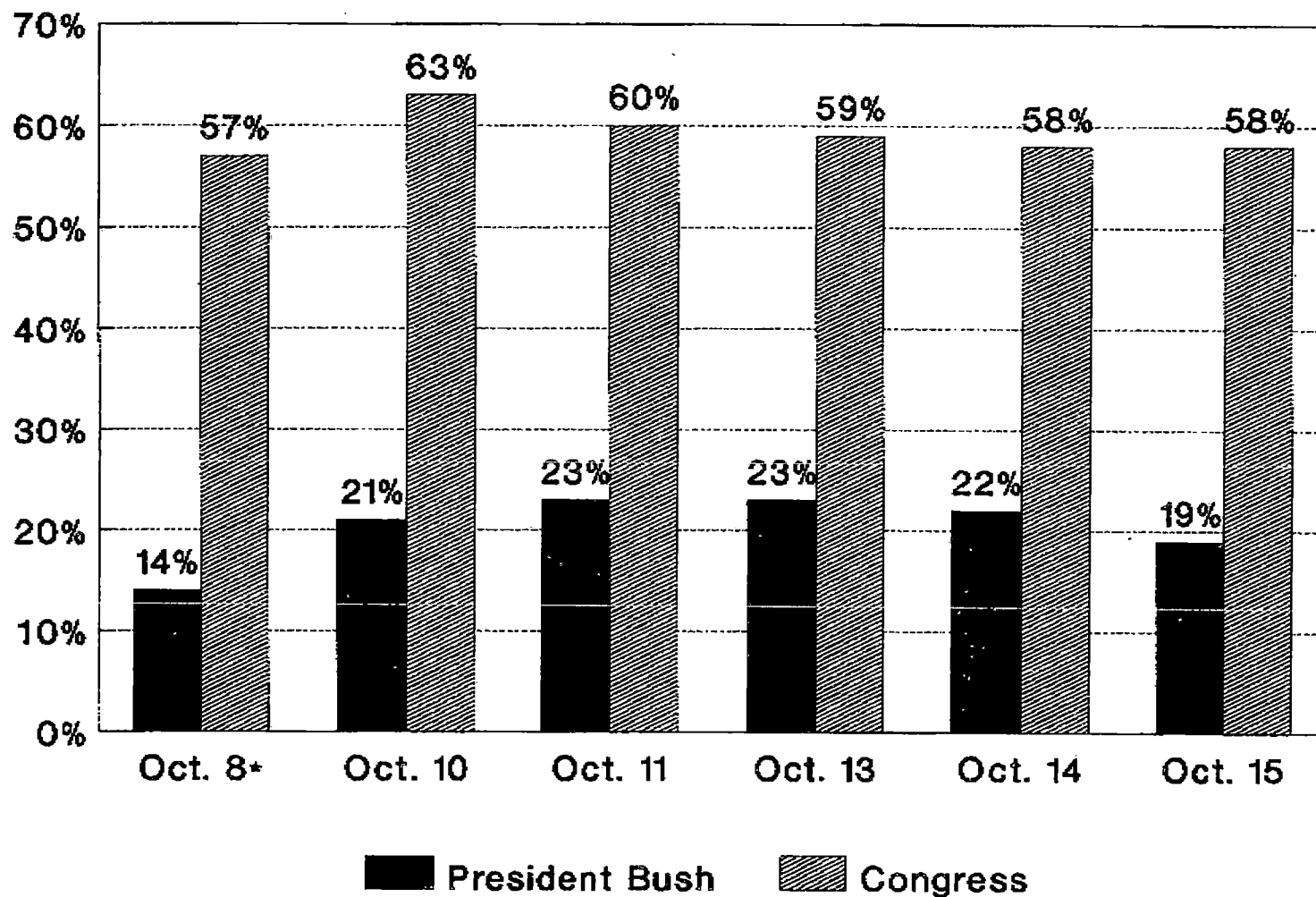
Who to Blame for Budget Situation (Cong. GOP/Bush vs. Cong. Democrats)



*Who do you think is more to blame for the current budget situation? Which party in Congress do you think is more to blame for the current budget situation?

*Oct. 8: Washington Post Poll

Who to Blame for Budget Situation



*Oct. 8: Washington Post Poll

*Who do you think is more to blame for the current budget situation?

THE WHITE HOUSE

WASHINGTON

October 18, 1990

To: Governor

From: Dr. Wirthlin

The results of President Bush's approval
poll conducted last night:

51% Approve

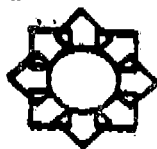
37% Disapprove

18% Strongly approve

33% Somewhat approve

18% Somewhat disapprove

19% Strongly disapprove



The Wirthlin Group

TRANSMITTAL SHEET

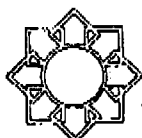
Project #: 0101Date: 10/18# of Pages (Including this Sheet): 6Deliver To: Gov. Sununu Firm: _____Phone: _____ FAX: 202-456-2397From: Richard Wirthlin Firm: The Wirthlin Group

Phone: (703) 556-0001

FAX: (703) 790-5821
(703) 893-3811☐ No Response Necessary☐ Call Upon Receipt

An -

Il, (703) 556-0001



The Wirthlin Group

Comments: _____

"Blame" for the budget situation moved 2 more points away from the President in our rolling average last night.

Crush time will be this weekend. I can give you reports Saturday and Sunday if you wish.

Let me know.

Good morning!
Good night!

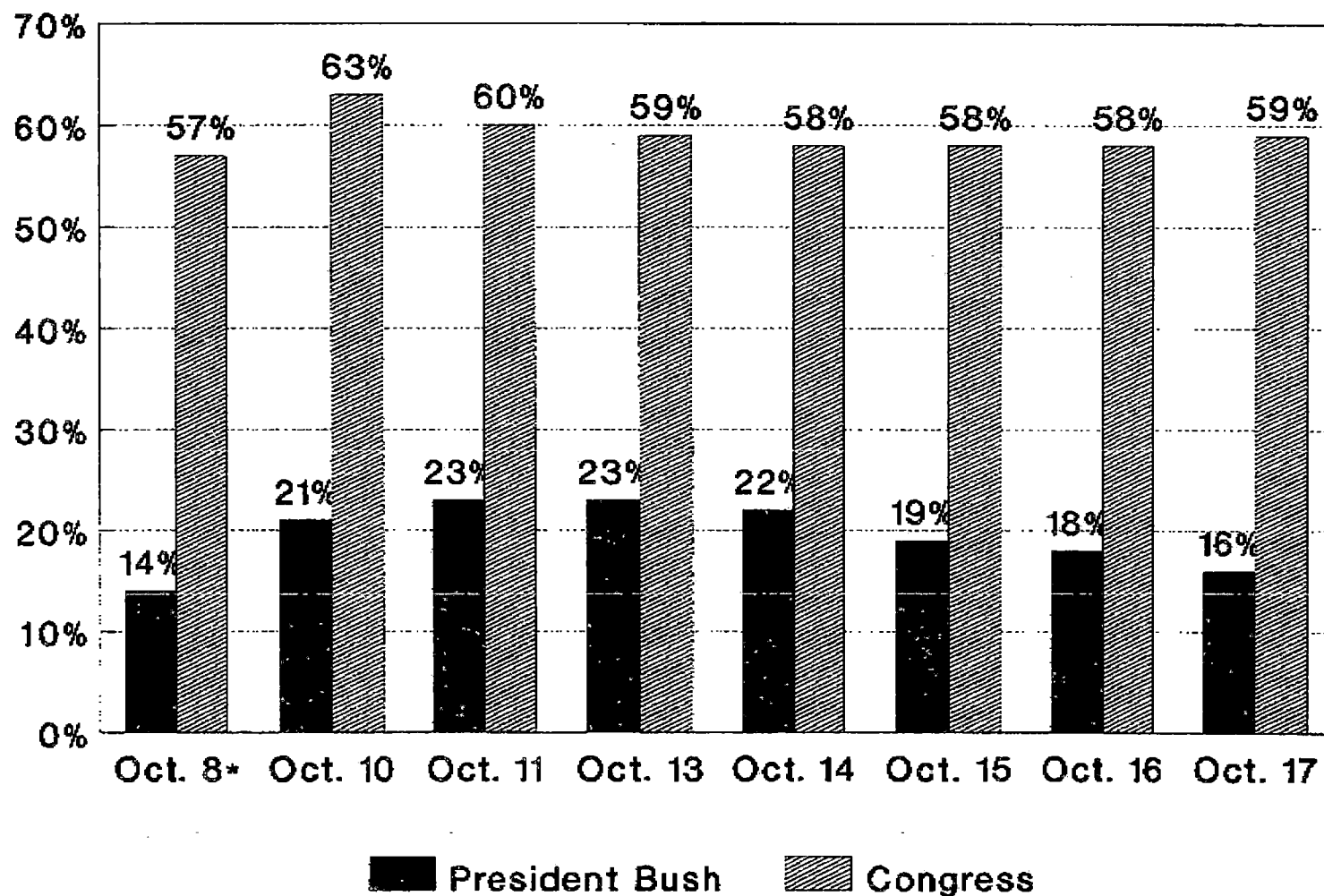
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2101

Richard B. Wirthlin

PS. The President's job rating last night
61% approval

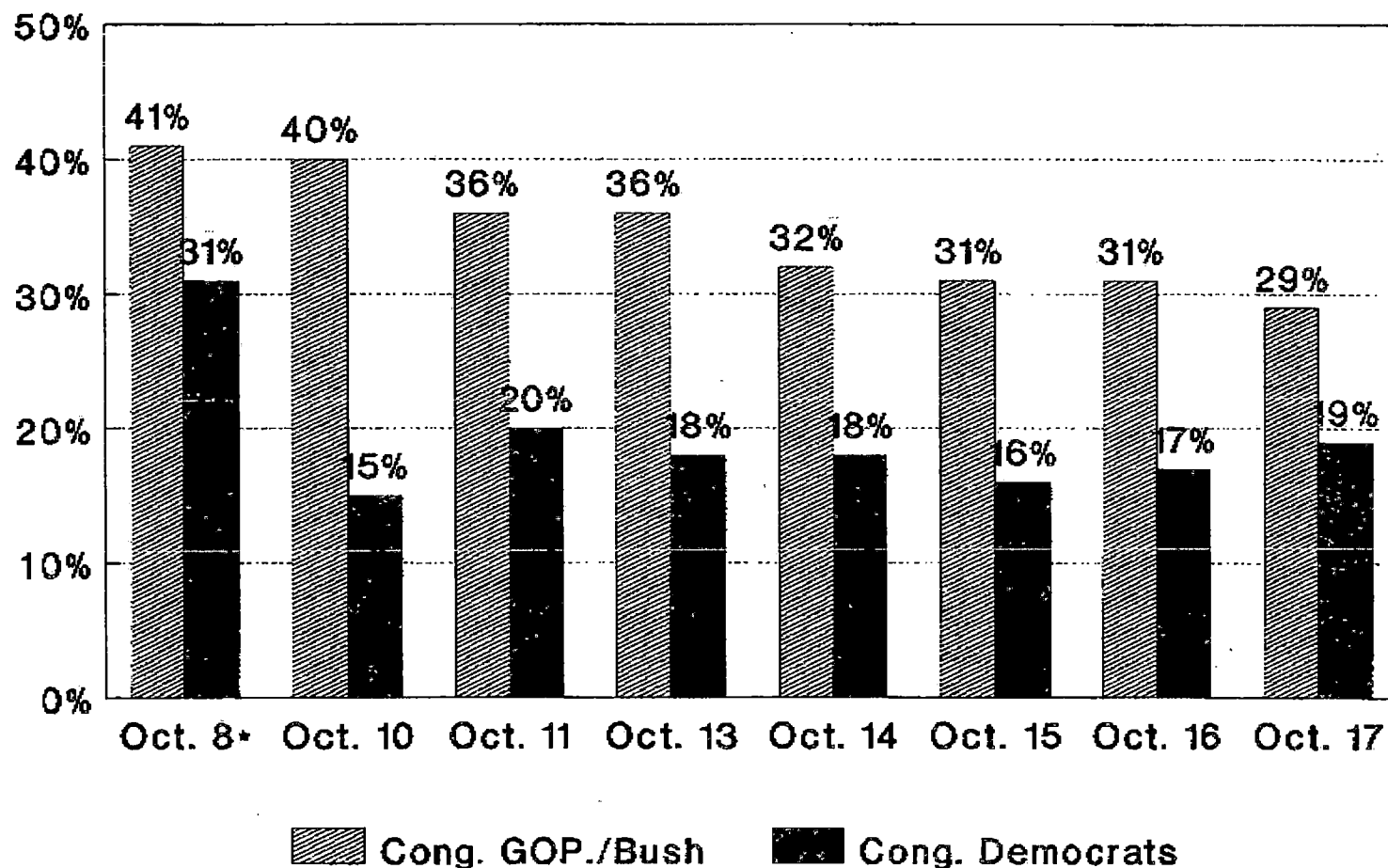
Who to Blame for Budget Situation



*Oct. 8: Washington Post Poll

*Who do you think is more to blame for the current budget situation?

Who to Blame for Budget Situation (Cong. GOP/Bush vs. Cong. Democrats)



"Who do you think is more to blame for the current budget situation? Which party in Congress do you think is more to blame for the current budget situation?"

*Oct. 8: Washington Post Poll

PUBLIC OPINION TRAX / #5267-12 / AUGUST 22 - OCTOBER 17, 1990

Table 1

Q 89-90: Who do you think is more to blame for the current budget situation?
Which party in Congress do you think is more to blame for the current budget situation?
ROLLING THREE DAY AVERAGES

	10/17	10/7-10/9	10/8-10/10	10/9-10/11	10/10-10/13	10/11-10/14	10/13-10/15	10/14-10/16	10/15-10/17	
BASE=TOTAL SAMPLE	200 100%	-	200 100%	400 100%	600 100%	600 100%	600 100%	600 100%	600 100%	
** D/S (BUSH - CONG)	-97 -48%	-	-83 -42%	-150 -38%	-219 -36%	-217 -36%	-235 -39%	-246 -41%	-256 -43%	-5
** D/S (GOP - DEM)	17 8%	-	50 25%	67 17%	103 17%	83 14%	85 14%	77 13%	60 10%	-7
<u>PRESIDENT BUSH</u>	26 13%	-	42 21%	91 23%	137 23%	134 22%	111 19%	105 18%	97 16%	-7
<u>CONGRESS</u>	123 61%	-	125 63%	241 60%	356 59%	350 58%	346 58%	351 58%	352 59%	-1
Republicans	32 16%	-	39 20%	53 13%	76 13%	59 10%	71 12%	75 13%	80 13%	0
Democrats	41 21%	-	31 15%	78 19%	110 18%	110 18%	98 16%	103 17%	116 19%	0
Neither/Blame both equally	31 16%	-	34 17%	69 17%	106 18%	118 20%	118 20%	118 20%	102 17%	0
Don't know/Refused	18 9%	-	21 11%	41 10%	64 11%	62 10%	59 10%	54 9%	55 9%	-1
<u>NEITHER</u>	17 8%	-	7 4%	10 3%	17 3%	18 3%	22 4%	24 4%	36 6%	+3
<u>BLAME BOTH EQUALLY</u>	21 11%	-	13 6%	32 8%	63 10%	74 12%	93 15%	86 14%	78 13%	+5
<u>DON'T KNOW/REFUSED</u>	13 7%	-	13 7%	25 6%	26 4%	23 4%	28 5%	34 6%	37 6%	0

PUBLIC OPINION TRAX / #5267-12 / OCTOBER 15 - OCTOBER 17, 1990

Table 2

Q B9-90: Who do you think is more to blame for the current budget situation?
Which party in Congress do you think is more to blame for the current budget situation?

B 2: SEX, AGE, ETHNICITY, FOUR-POINT GEOCODE

	SEX			AGE						ETHNICITY			4-POINT GEOCODE				TALKED ABOUT MIDDLE EAST	
	TOTAL	MALE	FEMALE	18-24	25-34	35-44	45-54	55-64	65+	CAUC-ASIAN	BLACK	OTHER	NORTH EAST	MID-WEST	SOUTH	WEST	YES	NO
BASE=TOTAL SAMPLE	600 100%	288 100%	312 100%	86 100%	131 100%	112 100%	81 100%	68 100%	111 100%	444 100%	66 100%	69 100%	147 100%	161 100%	197 100%	94 100%	112 100%	488 100%
** D/S (BUSH - CONG)	-256 -43%	-135 -47%	-121 -39%	-37 -43%	-60 -46%	-58 -52%	-41 -51%	-25 -37%	-32 -29%	-210 -47%	-3 -4%	-34 -49%	-51 -35%	-75 -46%	-77 -39%	-52 -56%	-61 -54%	-195 -40%
** D/S (GOP - DEM)	60 10%	6 2%	54 17%	18 21%	10 8%	1 1%	10 12%	8 12%	11 10%	19 4%	32 49%	6 8%	26 18%	19 12%	15 8%	* *	12 10%	49 10%
<u>PRESIDENT BUSH</u>	97 16%	41 14%	56 18%	16 18%	22 17%	17 15%	10 12%	13 19%	18 17%	67 15%	20 31%	7 10%	29 20%	23 14%	33 17%	12 13%	12 11%	85 17%
<u>CONGRESS</u>	352 59%	176 61%	177 57%	53 62%	82 63%	75 67%	50 63%	38 56%	50 46%	277 62%	23 35%	41 59%	81 55%	97 61%	110 56%	65 69%	73 65%	280 57%
Republicans	80 13%	35 12%	45 14%	18 21%	16 12%	15 13%	12 15%	8 11%	10 9%	52 12%	12 18%	12 17%	16 11%	25 15%	28 14%	11 12%	21 19%	58 12%
Democrats	116 19%	69 24%	47 15%	16 18%	27 21%	20 27%	12 15%	13 18%	17 16%	100 23%	- -	13 18%	19 13%	28 18%	45 23%	23 23%	22 19%	94 19%
Neither/Blame both equally	102 17%	54 19%	48 15%	9 11%	24 18%	23 21%	19 24%	11 16%	14 13%	86 19%	2 3%	13 18%	23 16%	29 18%	27 14%	23 25%	21 19%	81 17%
Don't know/Refused	55 9%	18 6%	36 12%	10 12%	15 11%	7 6%	7 9%	7 10%	9 8%	39 9%	9 14%	4 5%	22 15%	16 10%	10 5%	7 7%	8 7%	46 10%
<u>NEITHER</u>	36 6%	17 6%	19 6%	5 6%	9 7%	5 4%	5 6%	2 3%	4 4%	19 4%	8 12%	8 12%	9 6%	8 5%	16 8%	2 2%	10 9%	25 5%
<u>BLAME BOTH EQUALLY</u>	78 13%	40 14%	38 12%	6 7%	12 9%	13 12%	8 10%	10 15%	27 24%	59 13%	6 9%	6 8%	19 13%	21 13%	29 15%	9 10%	16 14%	62 13%
<u>DON'T KNOW/REFUSED</u>	37 6%	14 5%	23 7%	6 7%	6 4%	3 3%	8 9%	4 6%	11 10%	22 5%	8 12%	7 11%	10 7%	12 8%	9 5%	6 6%	1 1%	36 7%

PUBLIC OPINION TRAX / #5267-12 / OCTOBER 15 - OCTOBER 17, 1990

Q 89-90: Who do you think is more to blame for the current budget situation?
Which party in Congress do you think is more to blame for the current budget situation?

B 3: PARTY ID

PARTY ID

TOTAL GOP DEM IND

BASE=TOTAL SAMPLE 600 246 257 97
100% 100% 100% 100%

** D/S (BUSH - CONG) -254 -151 -66 -39
-43% -61% -26% -40%

*It's
CLOSED to Reps*

** D/S (GOP - DEM) 60 -51 98 13
10% -21% 38% 14%

It's CLOSED to DEMS

PRESIDENT BUSH 97 28 57 12
16% 11% 22% 12%

CONGRESS 352 179 123 51
59% 73% 48% 52%

Republicans 80 12 58 10
13% 5% 22% 10%

Democrats 116 91 17 8
19% 37% 7% 8%

Neither/Blame both
equally 102 53 23 27
17% 21% 9% 27%

Don't know/Refused 55 22 26 6
9% 9% 10% 7%

NEITHER 36 8 18 10
6% 3% 7% 10%

BLAME BOTH EQUALLY 78 18 45 15
13% 8% 17% 15%

DON'T KNOW/REFUSED 37 13 14 10
6% 5% 5% 11%

The New York Times

Founded in 1851

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Fooling Around With Taxes

10/17/90

The House is on the verge of passing a \$500 billion deficit reduction package. But it is hard to take the bill seriously. It includes amendments imposing stiff tax increases, aimed at the rich, that are unlikely to pass the Senate and that President Bush is sure to veto.

The principle of taxing the rich more than the poor to pay for deficit reduction might be noble. But the amendments amount to demagoguery. They would eliminate an increase in the gas tax, undermining energy conservation. They would postpone correction of the income tax code for inflation, leaving an invisible tax on the middle class. They would lower the capital gains tax for exactly the wrong kinds of investments.

The House plan was well designed to embarrass Republicans into voting against a package weighted in favor of the poor. The Republicans responded with some demagoguery of their own, proposing a deficit reduction package that pretended to cut the deficit without raising taxes. Congress owes the country a responsible deficit reduction package. Three days before the deadline for closing down the Government again, the country is still waiting.

Last month's budget summit produced a plan to cut the deficit by \$500 billion over five years. But it would have raised taxes on the poorest families three times as much as on the richest. That was the main reason the House rejected the package.

The alternative plan approved last week by the

House Ways and Means Committee, similar to one before the Senate Finance Committee, would have increased taxes on gasoline, alcohol, cigarettes and several luxury items. It would also have reduced the total amount of deductions for rich families and expanded tax credits for the working poor. Roughly speaking, it would have affected most income groups proportionately.

The plan voted in the House yesterday drops the tax hike on gasoline and postpones for a year the indexing of tax rates and personal exemptions for inflation. That's a cynical way to hit the middle class with an invisible rather than a visible tax. And it would undo a boost for energy conservation.

The House plan would also raise the tax rate on the highest incomes to 33 percent from 28, and raise the tax on wealthy families that take advantage of enormous amounts of deductions and exemptions. But the Democrats surely know that Mr. Bush would veto any package that raised income taxes unless it also capitulated to his obsessive quest for a capital gains tax cut.

It is precisely on capital gains that the House plan reverberates with ignorance — or cynicism. It would allow individuals \$100,000 of capital gains free of income tax over a lifetime — but only on the sale of real estate, farms, businesses and timber, not stocks. The tax code already heavily favors investments in real estate and timber. To direct more precious resources their way is shameful.

The budget clock is still ticking. Congress is still fooling around.

Excerpts from the President's remarks at Clayton Williams for Governor Fundraiser. October 15, 1990 at the Hyatt Regency Hotel, Dallas Texas.

" The single most important factor for what the future will hold here in Texas, and across the entire country is economic growth. That's why I want to speak to you for just a minute about the work that remains to be done back in Washington to reach final agreement on the federal budget.

I pushed hard, as you all know, for a bipartisan budget agreement. Not because it was the best plan ever, but because it was the best plan possible that would get the federal deficit down by \$500 billion over five years -- real significant enforcement provisions.

.... And I will continue to press hard for a budget that fulfills the spirit of the bipartisan plan and proves to the American people once and for all that we can deal with this budget deficit.

.... I'm going to do my level best to make sure that the Democrat-controlled United States Congress gets that message. We owe it to these kids that they not be mortgaged over and over again.

Time is short. The meter's ticking up there. Four days from now, on October 19th, the clock on all these procedural things runs out. And the American people have every right to expect more from their elected representative. Congress has a responsibility. And if this is the best that the system can do, then it's time to build a better budget system.

One of the problems is that much of the political debate on the budget has been based on that inside the Washington, D. C. Beltway jargon. And the jargon just hides the basic issues.

Let me try to simplify it. America must have a real and significant deficit reduction budget to get the economy moving. And that deficit reduction will bring down interest rates on home purchases and car loans and help create new jobs. And to get these results, the budget cannot be smoke or mirrors or phony estimates -- business as usual -- can't be that. It must be real, it's got to be enforceable, and it's got to have incentives for growth.

And as always, the real problem has been the unwillingness in Congress to vote for holding down spending. I'm sure you're confused -- the House now doing what they should, trying to come up with their agreement and the Senate now working it's will. And one thing that appeals to me about the current Senate package is that it holds the line on income tax rates. One of my biggest fears has always been that the Congress will continue to pay for its spending habits by raising income taxes on everybody. And,

in fact, the budget summit has moved us in the right direction and has brought us now to the final countdown week.

In the next five days, Congress has the chance, and in my view, Congress has an obligation to act once and for all. And lest there be any doubt, let me make clear to Congress just how serious I am about meeting that Friday deadline. Thirty-seven times -- John Tower will remember some of these -- in the last 10 years, Congress has missed its own budget deadline. Twice now this year, I've signed emergency legislation to add more time to the clock. Well, this Friday, times up. The American people deserve more than this stop-gap government.

And I'm confident now that Congress can meet this deadline, can complete its vital work, and pass the sound budget that puts this nation on the path to a long-term economic growth.

Excerpt from the President's Remarks at the Reception for Kay Orr, Hal Daub and Ally Milder, in Omaha, Nebraska:

October 15, 1990

"...And you know, much of the political debate we hear in Washington is tired and it's old and it's all this 'inside the beltway' jargon. And it's jargon that just gets in the way of what's really at stake. So let me try to simplify it. America must have a real and significant deficit reduction budget to get this economy moving. And that deficit reduction will bring down interest rates on home purchases and car loans. And it will create new jobs.

And to get these results, the budget cannot be the same old political shell game. We must not tolerate business as usual. The budget must be real, enforceable, and preserve incentives for growth in this country.

And you know what the problem has always been -- it's the unwillingness in Congress to vote to hold down federal spending. And you know, with higher spending, higher taxes are usually not far behind. And that said, let me mention here one thing that appeals to me about what's going on now, appeals to me about the current Senate package is that it holds the line on income tax rates. And that is worth fighting for in my view.

I have this concern that's always been that Congress will continue to pay for its spending habits by raising income tax rates on everybody. After concessions by both the Democratic and the Republican leaders -- the budget summit -- nobody liked every part of it. It did move us in the right direction, and it has brought us to the final countdown week. And in the next five days, Congress has the chance -- in fact, I'd put it this way -- Congress has the obligation to act. And I believe the American people have every right to expect the United States Congress to act responsibly.

And so my message -- and I expect it would be your message -- to the Congress is simple and straightforward: complete your work, meet Friday's deadline and pass a sensible budget. We've got to put this nation back on the path to long-term economic growth. And the way to do that, is to get a budget through, and that will bring the interest rates down, and that will put more and more Americans back to work where they belong."

Excerpt from the President's Remarks at the Edgar for Governor Rally at the College of DuPage, Wheaton, Illinois:

October 16, 1990

"...Sometimes the rhetoric back there gets pretty thick inside that Washington beltway. So let me just put it in perspective for you.... We must have a significant and real deficit reduction budget to get this country moving. And when we get that kind of a deal, it will bring down the interest rates on home purchases and car loans. It will bring them down and create new jobs. So the time for Democratic rhetoric is over, and the time to move ahead is to get the Congress moving now to get us that kind of an agreement.

I guess what I'm saying is that we can't afford business as usual. The budget's got to be real; it's got to be enforceable; and it's got to preserve our incentives for growth.

You know, I do believe -- I'll take my fair share of the hits, but I believe the American people really know that the problem has always been the failure of this one-party controlled Congress to hold down spending. We're not taxing you too little: we're spending too much.

And so make no mistake about it: when you hear this liberal crowd that runs the Congress in Washington talking about taxing the rich, they're going to be after you the next thing you know, because that's the way it works -- tax and spend, tax and spend. And I want to end it once and for all.

So today, they're marking up a big budget plan back in Washington. It's a Democratic tax plan. If it reaches my desk, the one that comes out of the House of Representatives, I will veto it because it raises the income taxes of the working men and women of this country. And I'm not going to do that.

One thing, incidentally, that appeals to me on this Senate package is that it holds the line on income tax rates. Republicans have always feared that Congress will continue to pay for its spending habits by raising the income tax rates on everybody. So, clearly, the budget summit moved us in the right direction, brought us to this final countdown week. And now we're down to four days back there in Washington. And Congress has the opportunity and the obligation to act. And the American people have every right to expect the Congress to act responsibly for the taxpayers' interest in this country."

Excerpt from the President's Remarks at the Fundraising Breakfast for Terry Branstad and Tom Tauke, Des Moines, Iowa:

October 16, 1990

"...Year after year, Congress has to pass emergency measures. It's all Washington jargon called continuing resolutions.... Enough is enough.... And this Friday, the Congress must face the budget deadline once again. But this time, let them face up to their responsibilities as well....

America must have a real and significant deficit reduction -- real and significant -- deficit reduction to get the economy moving. And that deficit reduction will, indeed, and almost instantly bring down the interest rates that are holding back new job creation and holding back job opportunity. The deficit rate is going to bring those interest rates down; you're going to have more home purchases, more car loans, create new jobs.

And to get those results, Congress cannot simply play with the numbers in order to get phony savings. We cannot afford business as usual in Washington anymore. So the budget must be real, it must be enforceable, and it must preserve our incentives for growth. I want to see this economy grow, not shrink, from higher taxes and more government spending....

We're not dumb in this country. Most people know that when -- the failure to hold down spending is inevitably followed by higher taxes. They might be just around the corner. And that said, let me reiterate that the one thing that appeals to me about the current Senate package -- you've got a House bill that looks like it's going through. Raise the rates, index the taxes -- that's on the middle class and the lower middle class. That's every taxpayer in this country. Nobody understands it, but that's what indexing means. So they're saying it's a "soak the rich" deal. But, inevitably, it gets into your pocket. It gets into the pocket of every working man and woman. And that's exactly what's coming out of the House.

But the Senate bill has some merit to it. It holds the line on income tax rates. And I've always been concerned, and I think the American people share this concern, that the Congress will continue to pay for its spending habits by going back and starting to raise the income tax rates on everyone. And I want to hold the line on the tax rates.

So we're in a countdown. We're in another countdown. The next four days, Congress has the responsibility and the obligation to act. And the American people have every right to see this Congress act responsibly."

TODAY SHOW INTERVIEW

Guest: White House Chief of Staff John Sununu
October 17, 1990

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BRYANT GUMBEL: The president's chief of staff is John Sununu. This morning he's in our NBC bureau in Washington. Governor, good morning.

JOHN SUNUNU: Good morning.

Q: I know there's a lot of reasons you find the plan unacceptable. Is the president determined to veto any plan that hikes the tax rates?

SUNUNU: Yes. The president realizes the Democrats may have conned the media into suggesting that the tax plan is just raising taxes on the rich. But what it does is rip off middle America, working men and women with an income tax increase for them.

You leave that out every time you describe the tax plan. But the fact is that it is there. And so with that tax increase on the working men and women, the president is going to veto that package if it gets to his desk.

Q: Well, it delays the adjustment of rates for inflation a year, and eliminates some middle class tax breaks, but--

SUNUNU: It raises their income tax though, Bryant. And--and you ought not to become an apologist for the Democratic Party by rationalizing that the rise in the income tax that the people have to pay is not a rise in income tax.

Q: In logical terms, does it follow that those who can afford to pay more in times of crisis should pay more?

SUNUNU: Absolutely. But the fact is that the addiction to tax and spend that the Democrats have leads them, every time they play around with the income tax rate at the high end, to have to play around with income tax on working men and women.

That's what the president warned America about. And that's exactly what has happened. One quarter of this package takes money out of the pockets of working men and women by extra income taxes. That is a part of a tax-and-spend plan that the president has said he will veto.

Q: But only a month ago the president conceded that higher taxes were necessary; had signed on to a budget agreement that included \$134 billion in added revenues. Why now is it so unacceptable?

SUNUNU: Well, don't revise history now. Remember, the president was holding out against taxes, but he recognized that the economy was about to go into a decline. He asked for a deficit reduction package. Congress refused to come forward. We are six months late on this budget by their own calendar. They refused to come forward with a package. They held the deficit reduction package hostage until the president agreed to allow taxes on the table.

The fact that they made the president eat his tax broccoli doesn't mean that he's very happy about what's in the package.

Q: But, Governor, that doesn't change the fact that the president signed on to that agreement, went on national TV behind that agreement, and said that this was a good agreement and one we could live with and it included new revenues. Why now is that unacceptable?

SUNUNU: It was one that he could live with, because that package did not raise the income tax of middle America, of working America. There is a difference between that package and this one, which rips off the men and women of America who are out there working and earning a living.

Q: Governor, the Senate seems headed towards a plan that would double the gasoline tax, raise the taxes of higher income folks while lowering the capital gains taxes for everybody on a proportional basis. You like that one?

SUNUNU: There's no capital gains reduction in the Senate package. You ought to be more accurate in your description.

Q: Well, there is a capital gains reduction in the Senate package, Governor, the one that--that lowers the rates proportionally to the income of Americans.

SUNUNU: No, not in the Senate package. In the Senate package there is no capital gains piece. There is no tax rate increase in the Senate package; there's no capital gains piece. That's what the president has said: Let's pass that package now.

Q: Governor, have you any new ideas to break the impasse? Any new offerings? It's easy to find fault with a number of packages that are coming off the Hill.

SUNUNU: There's I think general agreement between the president and the Republican and Democratic leadership in Congress that the best package is one that is close to the summit agreement. It's not the kind of package the president would have written alone; it's not the kind of package that the Democratic or Republican leaders would have written alone. It is a compromise package, but it is good for the country. It reduces the deficit. And it deals with some of the problems of the economy, and gets the economy going again. That's what we ought to pass.

Q: But, Governor, that's a package that even the Republicans in the House rejected?

SUNUNU: Well, that's the reference point that we ought to work towards. We think that the Senate package is relatively close to that, and that's the package that the president has said he would feel comfortable getting come out of conference and sign. The fact that that Senate package is supported by both Republicans and Democrats in the Senate is a good sign. It is a bipartisan package. It is one that doesn't raise the income tax on lower and middle income America. It's a good package. We ought to get it.

Q: Governor, you've seen the numbers as we all have. People are tired of the finger pointing. They feel Congress isn't doing the job. They feel the president isn't prepared to work with Congress. What's the White House prepared to do on an active basis over the next two days to break the deadlock?

SUNUNU: White House is ready to receive the bipartisan package, similar to the Senate package; get it to the president's desk; and he'll sign it. When the president asks the Congress to stay instead of going on vacation in August, they promised they'd get a package as soon as they came back. The clock is running out; government's about to shut down. They ought to put a package together in the next day or two, get it to the president and let him sign it, and let them go home and let America go about its business.

Q: Are you willing to agree, is the White House willing to agree, to a continuing resolution if you see progress on a bill that you find acceptable?

SUNUNU: You know, whenever Congress comes to a tough decision they run to a continuing resolution which is business as usual. Thirty-seven times in the last 10 years they've evaded the tough decisions of budgets by going to a continuing resolution. They tried to do that a couple of weeks ago with a soft resolution; the president vetoed it.

Let's not bandaid the problem. Let's put a package together in the Senate. Compromise it down to a package the president can accept with the House, and get a package on his desk. There's enough time to do that before Friday evening. Instead of trying to figure out a way to avoid the decision, Congress ought to do its business, get it done, and get out of town.

Q: Governor, can I ask you to stay a couple of minutes, we'll come back and do a little more?

SUNUNU: Sure.

Q: Okay, let me take a break right.
(Announcements)

Q: As we come back, it's 7:18, we're continuing-- excuse me--in Washington with Governor John Sununu, White House chief of staff. Governor, thank you--

SUNUNU: Thank you.

Q: --for--for extending your stay. I appreciate it. When we left for a commercial you were talking of bandaid solutions and how the White House rejects that, but is that to say a firm no that if there is work towards a compromise bill on Friday that you're unwilling to extend the deadline?

SUNUNU: If there was a deadline extension that carried with it a really significant reduction in the deficit built into the deadline extension to show that Congress meant business about it, I'm sure the president would, you know, consider that as a good faith extension. But that continuing resolution can't continue spending levels at current levels without any effort to reduce the deficit even for a couple of days.

Q: And if not, is the president prepared to shut down the government and live with the consequences?

SUNUNU: The president vetoed one about a week ago when Congress wanted to leave for the Columbus Day weekend, the president vetoed the continuing resolution; convinced them to stay. They passed the budget resolution. I think the president likes that formula of keeping folks around to work and get their business done.

Q: Have you contingency plans to run a government saddled with Gramm-Rudman cuts?

SUNUNU: Well, the president has had contingency plans in place for a long time. We ran the government for a couple of months last year under sequester. People hardly noticed.

Q: Governor, you can't be, I'm sure, unconcerned about the polls that show the president's approval ratings taking a nose dive. What is he prepared to do to reverse the feeling that in this time of crisis he is not proving an effective leader?

SUNUNU: Look, the president is not one to just store his political capital. The deficit is an important issue, and the president was willing to take his political lumps. He saw that the deficit had to be reduced, so he allowed the Democrats to bring taxes onto the table. He took a lot of lumps for that, but it was important to the country to get a deficit reduction package. It's important to get this deficit reduction package done this week.

He's willing to take his political lumps to do that. But if folks think that after he gets this package he's going to sit around and mope, he's wrong. He's going to go out and explain to the American public the fact that this budget, deficit reduction package was held hostage. He's going to point out to folks that for over two decades Congress has been on a tax-and-spend binge.

SUNUNU continues: The budget that passed last night is just a reflection of that. It reduces the cuts in spending -- there's less spending cuts in that package and more taxes. Whenever Congress runs into a tough vote, it runs to more spending and more taxes. The president will point that out.

So I think he'll be able to restore his political capital quite effectively in the process.

Q: That was a good argument, but it would seem again from the polls that a great many in the public are not buying that argument.

SUNUNU: Let's look at what the polls say, Bryant. Sixty percent blame Congress; 20 percent blame the president. If I were a politician in America, I'd walk into any campaign with that kind of ratio in my favor.

Q: The polls also say the president's popularity has dropped something like 25 percent in the last month.

SUNUNU: Now, instead of being astronomical, it's just exceptionally good. The president is willing to deal with that and live with that.

Q: We'll have to stop playing the numbers game, because our number is coming up. It's 7:22. Governor, thank you.

SUNUNU: Thank you very much, Bryant.

Q: Again, I appreciate your extending the stay.

SUNUNU: It's good to be here.

END INTERVIEW

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The Reuter Transcript Report
Sununu interview (Today Show)
Oct. 17, 1990

REUTER

Reut09:01 10-17

Jordan -

Love Duck - a CR with substantial cuts

Bill -

Sequester with CR.

Serious political problem - rift PONS/Repin Congress - Don't attach the

Bob.

Vets whatever -

CR/with 40B sequester ←

Demonstrate they can't pass bill

McCain -

Run against Dems - after no deal.

- QUANTITY OF PACK -

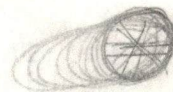
→ No - No
C/R.

Trent.

Guskey.

Get energetic.

Hatch



Jam

Message - No president ever split a dime not
Love Duck -

Helms -

Tried to work out - No Democrats.

Heaman - Senate push sign - If President - Plan and act to deal in one fails -

Resp. comes with P. -

Show better with R-P. than otherwise.

Defeat/Economy - ↑

Climate for Congress failure - set

Little Red Book

THE WHITE HOUSE
WASHINGTON

Date: 10/15/90

TO: CHIEF OF STAFF

FROM: JAMES W. CICCONI
Assistant to the President and
Deputy to the Chief of Staff

The attached has been forwarded
to the President.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

90 OCT 15 AM 8:45

THE DIRECTOR

October 15, 1990

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Enclosed please find the *Final OMB Sequester Report to the President and Congress for Fiscal Year 1991*. It has been prepared in accordance with the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119).

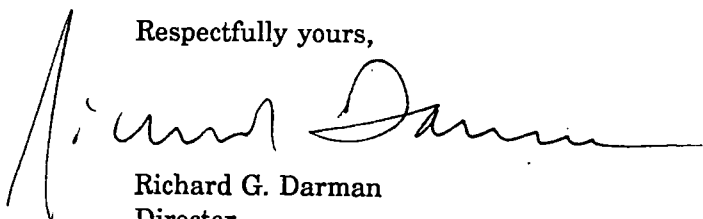
As required by law, the budget estimates contained in this report are based on economic and technical assumptions published by the Office of Management and Budget in the July 16th Mid-Session Review, and on laws enacted and final regulations promulgated as of October 10, 1990.

The report finds that, under current law, sequestration is necessary in order to meet the Gramm-Rudman-Hollings (G-R-H) deficit reduction target. Accordingly, a final Presidential sequestration order has been prepared for issuance today. The Further Continuing Appropriations Act of 1991 (Public Law 101-412), however, has suspended until October 19th implementation of reductions required under the final order.

This final sequester report estimates the fiscal year 1991 G-R-H baseline deficit (which is very substantially different from the current estimate of the consolidated budget deficit) to be \$147.3 billion, \$83.3 billion above the \$64 billion deficit target. This G-R-H deficit estimate strictly adheres to the requirements of the G-R-H law. Consequently, it reflects events that are likely not to happen, such as the expiration of the food stamp program, or the failure to increase funding authority for S&L case resolutions. And it does *not* reflect updated economic assumptions. By making reasonable assumptions, such as the continuation of the food stamp program and additional funding for S&L case resolutions, and adjusting for the most recent economic forecast, the current baseline consolidated deficit for 1991 is estimated to be \$295.0 billion.

This report provides calculations of the amounts and percentages by which various budgetary resources would be reduced under the assumption of a necessary \$83.3 billion sequester. As required by law, the report includes projected budget baseline levels, Mid-Session economic assumptions, a discussion of the sequestration calculations, and comparisons with the estimates provided by the Director of the Congressional Budget Office in his report.

Respectfully yours,



Richard G. Darman
Director

Enclosure

IDENTICAL LETTERS SENT TO HONORABLE DAN QUAYLE AND HONORABLE THOMAS S. FOLEY

**FINAL OMB SEQUESTER REPORT TO THE
PRESIDENT AND CONGRESS
FOR FISCAL YEAR 1991**



NOTICE

There should be no release of this document until 12 noon (E.D.T.), Monday, October 15, 1990.

October 15, 1990



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

THE DIRECTOR

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the *Final OMB Sequester Report to the
President and Congress for Fiscal Year 1991*.

October 15, 1990

The President
The White House
Washington, DC 20500

Dear Mr. President:

Enclosed please find the *Final OMB Sequester Report to the President and Congress for Fiscal Year 1991*. It has been prepared in accordance with the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119).

As required by law, the budget estimates contained in this report are based on economic and technical assumptions published by the Office of Management and Budget in the July 16th Mid-Session Review, and on laws enacted and final regulations promulgated as of October 10, 1990.

The report finds that, under current law, sequestration is necessary in order to meet the Gramm-Rudman-Hollings (G-R-H) deficit reduction target. Accordingly, a final Presidential sequestration order has been prepared for issuance today. The Further Continuing Appropriations Act of 1991 (Public Law 101-412), however, has suspended until October 19th implementation of reductions required under the final order.

This final sequester report estimates the fiscal year 1991 G-R-H baseline deficit (which is very substantially different from the current estimate of the consolidated budget deficit) to be \$147.3 billion, \$83.3 billion above the \$64 billion deficit target. This G-R-H deficit estimate strictly adheres to the requirements of the G-R-H law. Consequently, it reflects events that are likely not to happen, such as the expiration of the food stamp program, or the failure to increase funding authority for S&L case resolutions. And it does *not* reflect updated economic assumptions. By making reasonable assumptions, such as the continuation of the food stamp program and additional funding for S&L case resolutions, and adjusting for the most recent economic forecast, the current baseline consolidated deficit for 1991 is estimated to be \$295.0 billion.

This report provides calculations of the amounts and percentages by which various budgetary resources would be reduced under the assumption of a necessary \$83.3 billion sequester. As required by law, the report includes projected budget baseline levels, Mid-Session economic assumptions, a discussion of the sequestration calculations, and comparisons with the estimates provided by the Director of the Congressional Budget Office in his report.

Respectfully yours,

Richard G. Darman
Director

Enclosure

IDENTICAL LETTERS SENT TO HONORABLE DAN QUAYLE AND HONORABLE THOMAS S. FOLEY

G-R-H Sequester Amounts—Continued			(in thousands of dollars)		
Account Title	Sequester Base	Sequester Amount	Account Title	Sequester Base	Sequester Amount
Office of the Inspector General (41-10-0300-A):			United States Sentencing Commission		
Budget Authority	3,800	1,201	Salaries and expenses (41-30-0938-A):		
Outlays	3,040	961	Budget Authority	7,442	2,352
Educational and cultural exchange program (41-10-0209-A):			Outlays	6,849	2,164
Budget Authority	164,765	52,066	Total, Other Independent Agencies:		
Outlays	84,030	26,553	Budget Authority	10,018,879	3,167,804
National Endowment for Democracy (41-10-0210-A):			401(C) Authority	435,181	137,516
Budget Authority	17,475	5,522	401(C) Authority—Off. Coll.	100,979	31,909
Outlays	8,291	2,620	Obligation limitation	157,179	49,669
Radio broadcasting to Cuba (41-10-0208-A):			Direct Loan Limitation	638,100	201,640
Budget Authority	13,059	4,127	Guaranteed Loan Limitation	10,619,400	3,355,730
Outlays	10,166	3,219	Unobligated Balances—		
East West Center (41-10-0202-A):			Defense	252	87
Budget Authority	21,288	6,727	Outlays	6,554,326	2,072,586
Outlays	21,288	6,727			
Radio construction (41-10-0204-A):			Allowances		
Budget Authority	87,587	27,677	G-R-H aggregate spendout rate requirement (51-05-6070-A):		
Outlays	16,642	5,259	Outlays	70,000	22,120
			Total, Allowances:		
United States Institute of Peace			Outlays	70,000	22,120
Operating expenses (41-15-1300-A):			Total Government:		
Budget Authority	7,866	2,486	Budget Authority	418,177,042	138,880,100
Outlays	7,866	2,486	Budget Authority—ASI	68,782	68,782

G-R-H Sequester Amounts—Continued			(in thousands of dollars)		
Account Title	Sequester Base	Sequester Amount	Account Title	Sequester Base	Sequester Amount
Budget Authority—Spec.			Rules	257,788	257,788
401(C) Authority			401(C) Authority	35,546,101	11,233,187
401(C) Authority—Off. Coll.			401(C) Authority—Off. Coll.	3,566,951	1,127,160
401(C) Authority—ASI			401(C) Authority—ASI	5,400	5,400
401(C) Authority—Spec.			Rules	45,140	45,140
Obligation limitation			Obligation limitation	26,520,911	8,380,610
Obligat. limit.—Spec. Rules			Obligat. limit.—Spec. Rules	1,598,000	1,598,000
Direct Loan Limitation			Direct Loan Limitation	20,971,578	6,627,018
Direct Loan Floor			Direct Loan Floor	2,054,220	649,134
Guaranteed Loan Limitation			Guaranteed Loan Limitation	189,408,014	59,852,931
Unobligated Balances—			Unobligated Balances—		
Defense			Defense	39,295,199	13,556,844
Outlays			Outlays	248,544,318	83,344,205

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
National Endowment for the Arts		
National Endowment for the Arts: Grants and administrat (38-25-0100-A):		
Budget Authority	177,061	55,951
Outlays	58,625	18,526
National Endowment for the Humanities		
National Endowment for the Humanities: Grants and admin (38-30-0200-A):		
Budget Authority	163,492	51,663
Outlays	74,399	23,510
National Institute of Building Sciences		
Payment to the National Institute of Building Sciences (38-35-3601-A):		
Budget Authority	513	162
Outlays	513	162

National Labor Relations Board		
Salaries and expenses (38-40-0100-A):		
Budget Authority	145,919	46,110
Outlays	135,266	42,744

National Mediation Board		
Salaries and expenses (38-45-2400-A):		
Budget Authority	6,649	2,101
Outlays	5,053	1,597

National Science Foundation		
Research and related activities (38-50-0100-A):		
Budget Authority	1,776,990	561,529
Outlays	889,308	281,021

Academic Research Facilities (38-50-0150-A):		
Budget Authority	20,517	6,483
Outlays	2,052	648

Office of the Inspector General (38-50-0300-A):		
Budget Authority	2,667	843
Outlays	2,534	801

U.S. Antarctic program activities (38-50-0200-A):		
Budget Authority	74,975	23,692
Outlays	37,113	11,728

U.S. Antarctic Logistical Support Activities (38-50-0202-A):		
Budget Authority	83,078	26,253
Outlays	41,123	12,995

Science and engineering education activities (38-50-0106-A):		
Budget Authority	212,844	67,259
Outlays	31,714	10,022

National Transportation Safety Board		
Salaries and expenses (38-60-0310-A):		
Budget Authority	28,362	8,962
Outlays	25,811	8,156

Neighborhood Reinvestment Corporation		
Payment to the Neighborhood Reinvestment Corporation (38-75-1300-A):		
Budget Authority	27,669	8,743
Outlays	27,669	8,743

Nuclear Regulatory Commission		
Salaries and expenses (38-85-0200-A):		
Budget Authority	455,829	144,042
Outlays	341,872	108,032

Office of the Inspector General (38-85-0300-A):		
Budget Authority	2,995	946
Outlays	2,216	700

Nuclear Waste Technical Review Board		
Nuclear Waste Technical Review Board: Salaries and Expe (38-95-0500-A):		
Budget Authority	2,051	648
Outlays	1,512	478

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Occupational Safety and Health Review Commission		
Salaries and expenses (39-10-2100-A):		
Budget Authority	6,257	1,977
Outlays	5,338	1,687

Office of Government Ethics		
Salaries and expenses (39-20-1100-A):		
Budget Authority	3,508	1,109
Outlays	3,371	1,065

Office of Navajo and Hopi Indian Relocation		
Salaries and expenses (39-21-1100-A):		
Budget Authority	37,950	11,992
Outlays	13,662	4,317

Office of Special Counsel		
Salaries and expenses (39-22-0100-A):		
Budget Authority	5,320	1,681
Outlays	4,947	1,563

Office of the Nuclear Waste Negotiator		
Salaries and expenses (39-25-0070-A):		
Budget Authority	2,051	648

Pennsylvania Avenue Development Corporation		
Salaries and expenses (39-50-0100-A):		
Budget Authority	2,474	782
Outlays	2,003	633

Public development (39-50-0102-A):		
Budget Authority	3,282	1,037
Outlays	2,462	778

Land acquisition and development fund (39-50-4084-A):		
Budget Authority	104	33
401(C) Authority—Off. Coll.	3,000	948
Outlays	3,104	981

Postal Service, Payments to the Postal Service		
Payment to the Postal Service fund (39-60-1001-A):		
Budget Authority	472,469	149,300
Outlays	472,469	149,300

Payment to the Postal Service fund for nonfunded liabilities (39-60-1004-A):		
Budget Authority	37,955	11,994
Outlays	37,955	11,994

President's Comm on Catastrophic Nuclear Accidents		
Presidential Commission on Catastrophic Nuclear Accidents (39-75-2200-A):		
Budget Authority	375	118
Outlays	375	118

Railroad Retirement Board		
Rail Industry Pension Fund (40-10-8011-A):		
Obligation limitation	33,774	10,673
Outlays	33,774	10,673

Supplemental Annuity Pension Fund (40-10-8012-A):		
401(C) Authority	111,820	35,335
Obligation limitation	2,293	725
Outlays	56,886	17,976

Railroad social security equivalent benefit account (40-10-8010-A):		
Obligation limitation	32,753	10,350
Outlays	32,753	10,350

Securities and Exchange Commission		
Salaries and expenses (40-30-0100-A):		
Budget Authority	173,551	54,842
Outlays	146,303	46,232

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Selective Service System		
Salaries and expenses (40-45-0400-A):		
Budget Authority	26,944	9,236
Outlays	22,121	7,632

Smithsonian Institution		
Salaries and expenses (40-55-0100-A):		
Budget Authority	234,212	74,011
Outlays	207,347	65,522

Construction and Improvements, National Zoological Park (40-55-0129-A):		
Budget Authority	6,694	2,115
Outlays	3,012	952

Repair and restoration of buildings (40-55-0132-A):		
Budget Authority	27,581	8,716
Outlays	11,032	3,486

Construction (40-55-0133-A):		
Budget Authority	8,671	2,740
Outlays	3,468	1,096

Salaries and expenses, National Gallery of Art (40-55-0200-A):		
Budget Authority	41,829	13,218
Outlays	36,475	11,526

Repair, restoration and renovation of buildings (40-55-0201-A):		
Budget Authority	1,869	591
Outlays	198	63

Salaries and expenses, Woodrow Wilson International Center (40-55-0400-A):		
Budget Authority	4,809	1,520
Outlays	2,981	942

Endowment challenge fund (40-55-8188-A):		
401(C) Authority	270	85
Outlays	270	85

Canal Zone biological area fund (40-55-8190-A):		
401(C) Authority	150	47
Outlays	135	43

State Justice Institute		
State Justice Institute (40-85-0052-A):		
Budget Authority	12,385	3,914
Outlays	3,090	976

Susquehanna River Basin Commission		
Salaries and expenses (40-70-0500-A):		
Budget Authority	206	65
Outlays	194	61

Contribution to Susquehanna River Basin Commission (40-70-0501-A):		
Budget Authority	283	89
Outlays	283	89

Tennessee Valley Authority		
Tennessee Valley Authority fund (40-80-4110-A):		
Budget Authority	124,257	39,265
401(C) Authority—Off. Coll.	58,954	18,629
Obligation limitation	60,454	19,103
Outlays	89,520	28,288

United States Holocaust Memorial Council		
Holocaust Memorial Council (41-05-3300-A):		
Budget Authority	2,393	756
Outlays	1,893	598

United States Information Agency		
Salaries and expenses (41-10-0201-A):		
401(C) Authority—Off. Coll.	7,834	2,476
Outlays	7,834	2,476

Salaries and expenses (41-10-0201-A):		
Budget Authority	661,409	209,005
Outlays	549,638	173,686

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GENERAL NOTES

1. All years referred to are fiscal years unless otherwise noted.
2. Details in the tables and text may not add to totals because of rounding.
3. Unless otherwise noted, the source of all data in this report is the Office of Management and Budget.
4. Unless otherwise noted, "the Act" refers to the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119).

G-R-H Sequester Amounts—Continued

(In thousands of dollars)

Account Title	Sequester Base Amount	Sequester Amount
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G-R-H Sequester Amounts—Continued

(In thousands of dollars)

Account Title	Sequester Base Amount	Sequester Amount
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G-R-H Sequester Amounts—Continued

(In thousands of dollars)

Account Title	Sequester Base Amount	Sequester Amount
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Federal payment to D.C. (retirement funds) (33-40-1700-C):

Budget Authority 54,257 17,145

Outlays 54,257 17,145

Federal payment to D.C. (St. Elizabeth's Hospital) (33-40-1700-D):

Budget Authority 15,630 4,939

Outlays 15,630 4,939

Federal payment to D.C. (Inaugural Expenses) (33-40-1700-E):

Budget Authority 33,106 10,461

Outlays 33,106 10,461

Equal Employment Opportunity Commission

Salaries and expenses (33-70-0100-A):

Budget Authority 192,601 60,862

Outlays 169,797 53,656

Export-Import Bank of the United States

Export-Import Bank of the United States (33-90-4027-A):

Budget Authority 134,877 42,621

Obligation limitation 22,505 7,112

Direct Loan Limitation 638,100 201,640

Guaranteed Loan Limitation 10,619,400 3,355,730

Outlays 61,414 19,407

Farm Credit System Assistance Board

Revolving fund for administrative expenses (34-15-4132-A):

Obligation limitation 2,298 726

Outlays -14 -4

Federal Communications Commission

Salaries and expenses (34-35-0100-A):

Budget Authority 112,007 35,394

Outlays 105,287 33,271

Federal Election Commission

Salaries and expenses (34-45-1600-A):

Budget Authority 16,061 5,075

Outlays 14,234 4,498

Federal Emergency Management Agency

Disaster relief (34-50-0104-A):

Budget Authority 1,303,490 411,903

Outlays 108,000 34,128

Salaries and expenses (34-50-0100-A):

Budget Authority 155,497 49,138

Outlays 129,867 41,037

Emergency management planning and assistance (34-50-0101-A):

Budget Authority 327,133 103,374

Outlays 156,825 49,557

Office of the Inspector General (34-50-0300-A):

Budget Authority 2,689 850

Outlays 2,474 782

Emergency food and shelter program (34-50-0103-A):

Budget Authority 135,556 42,836

Outlays 135,556 42,836

National insurance development fund (34-50-4235-A):

401(C) Authority 242 76

Outlays 242 76

Federal Labor Relations Authority

Salaries and expenses (34-60-0100-A):

Budget Authority 18,325 5,791

Outlays 15,652 4,940

Federal Mediation and Conciliation Service

Salaries and expenses (34-70-0100-A):

Budget Authority 27,826 8,793

Outlays 24,851 7,853

Federal Mine Safety and Health Review Commission

Salaries and expenses (34-75-2800-A):

Budget Authority 4,223 1,334

Outlays 3,743 1,183

Federal Trade Commission

Salaries and expenses (34-85-0100-A):

Budget Authority 58,714 18,554

401(C) Authority—Off. Coll. 20,000 6,320

Outlays 76,366 24,132

Franklin Delano Roosevelt Memorial Commission

Salaries and expenses (34-90-0700-A):

Budget Authority 29 9

Outlays 27 9

Harry S Truman Scholarship Foundation

Harry S Truman memorial scholarship trust fund (35-10-8296-A):

Obligation limitation 3,102 980

Outlays 3,058 966

Institute of American Indian and Alaska Native Culture and Arts Development

Salaries and expenses (35-25-2900-A):

Budget Authority 4,486 1,418

Outlays 4,486 1,418

Institute of Museum Services

Institute of Museum Services (35-30-0300-A):

Budget Authority 23,627 7,466

Outlays 6,192 1,957

Intelligence Community Staff

Intelligence community staff (35-35-0400-A):

Budget Authority 29,199 10,074

Outlays 19,563 6,749

Interagency Council on the Homeless

Interagency Council on the Homeless (35-40-1300-A):

Budget Authority 1,133 358

Outlays 1,020 322

International Cultural and Trade Center Commission

International Cultural and Trade Center Commission: Salaries and expenses (35-50-1800-A):

Budget Authority 1,122 355

Outlays 1,066 337

International Trade Commission

Salaries and expenses (35-60-0100-A):

Budget Authority 40,075 12,664

Outlays 36,522 11,541

Interstate Commerce Commission

Salaries and expenses (35-70-0100-A):

Budget Authority 46,338 14,643

Outlays 43,094 13,618

Interstate Commission on the Potomac River Basin

Contribution to Interstate Commission on the Potomac Ri (35-80-0446-A):

Budget Authority 308 97

Outlays 308 97

Japan-United States Friendship Commission

Japan-United States friendship trust fund (36-50-8025-A):

Budget Authority 1,247 394

Outlays 1,247 394

Legal Services Corporation

Payment to the Legal Services Corporation (36-50-0501-A):

Budget Authority 329,820 104,223

Outlays 287,272 90,778

Marine Mammal Commission

Salaries and expenses (36-70-2200-A):

Budget Authority 1,000 316

Outlays 787 249

Martin Luther King, Jr. Federal Holiday Commission

Salaries and expenses (36-75-0600-A):

Budget Authority 313 99

Outlays 250 79

Merit Systems Protection Board

Salaries and expenses (36-80-0100-A):

Budget Authority 21,926 6,929

Outlays 20,350 6,431

National Archives and Records Administration

Operating expenses (37-15-0300-A):

Budget Authority 130,035 41,091

Outlays 100,297 31,694

National archives trust fund (37-15-8436-A):

401(C) Authority—Off. Coll. 11,181 3,533

Outlays 11,181 3,533

National Capital Planning Commission

Salaries and expenses (37-20-2500-A):

Budget Authority 3,218 1,017

Outlays 2,961 986

National Commission on American Indian, Alaska Native, and Native Hawaiian Housing

Salaries and Expenses (37-37-0030-A):

Budget Authority 521 165

Outlays 52 16

National Commission on Libraries and Information Science

Salaries and expenses (37-40-2700-A):

Budget Authority 781 247

Outlays 625 198

White House conference on library and information services (37-40-2701-A):

Budget Authority 1,122 355

Outlays 1,066 337

Nat Comm on Severely Distressed Housing

Salaries and expenses (37-53-0020-A):

Budget Authority 2,084 659

Outlays 208 66

National Commission to Prevent Infant Mortality

National Commission to Prevent Infant Mortality (37-90-1500-A):

Budget Authority 417 132

Outlays 417 132

National Council on Disability

Salaries and expenses (38-05-3500-A):

Budget Authority 1,600 506

Outlays 1,043 330

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Retired employees health benefits fund (27-00-8445-A):		
Obligation limitation	216	68
Outlays	216	68
Total, Office of Personnel Management:		
Budget Authority	3,634,150	1,148,392
401(C) Authority—Off. Coll.	792	250
Obligation limitation	84,910	26,832
Outlays	203,292	64,240

Small Business Administration

Salaries and expenses (28-00-0100-A):		
Budget Authority	393,043	124,202
Outlays	287,707	90,915
Office of the Inspector General (28-00-0200-A):		
Budget Authority	7,707	2,435
Outlays	6,920	2,187
Business loan and investment fund (28-00-4154-A):		
Budget Authority	77,629	24,531
Direct Loan Limitation	77,629	24,531
Guaranteed Loan Limitation	4,684,061	1,480,163
Outlays	51,058	16,134
Disaster loan fund (28-00-4153-A):		
Budget Authority	375,000	118,500
Direct Loan Limitation	350,000	110,600
Outlays	140,000	44,240
Surety bond guarantees revolving fund (28-00-4156-A):		
Guaranteed Loan Limitation	1,532,400	484,238

Total, Small Business Administration:

Budget Authority	853,379	269,668
Direct Loan Limitation	427,629	135,131
Guaranteed Loan Limitation	6,216,461	1,964,401
Outlays	485,685	153,476

Other Independent Agencies

ACTION		
Operating expenses (30-01-0103-A):		
Budget Authority	183,376	57,947
Outlays	105,441	33,319

Administrative Conference of the United States		
Salaries and expenses (30-05-1700-A):		
Budget Authority	1,941	613
Outlays	1,650	521

Advisory Commission on Conferences in Ocean Shipping		
Advisory Comm on Conferences in Ocean Shipping: S and E (30-10-2500-A):		
Budget Authority	311	98

Advisory Commission on Intergovernmental Relations		
Salaries and expenses (30-15-0100-A):		
Budget Authority	1,346	425
Outlays	1,232	389

Advisory Committee on Federal Pay		
Salaries and expenses (30-20-1800-A):		
Budget Authority	214	68
Outlays	202	64

Advisory Council on Historic Preservation		
Salaries and expenses (30-25-2300-A):		
Budget Authority	1,973	623
Outlays	1,933	611

American Battle Monuments Commission		
Salaries and expenses (30-30-0100-A):		
Budget Authority	16,689	5,274
Outlays	13,987	4,420

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Appalachian Regional Commission		
Appalachian regional development programs (30-40-0200-A):		
Budget Authority	154,129	48,705
Outlays	12,330	3,896
Architectural and Transportation Barriers Compliance Board		
Salaries and expenses (30-45-3200-A):		
Budget Authority	2,006	634
Outlays	1,791	566
Arms Control and Disarmament Agency		
Arms control and disarmament activities (30-50-0100-A):		
Budget Authority	34,817	11,002
Outlays	29,596	9,352
Barry Goldwater Scholarship Foundation		
Barry Goldwater Scholarship and Excellence in Education Foundation (30-70-8281-A):		
401(C) Authority	3,495	1,104
Outlays	1,575	498
Board for International Broadcasting		
Grants and expenses (30-85-1145-A):		
Budget Authority	197,980	62,562
Outlays	192,041	60,685
Israel Relay Station (30-85-1146-A):		
Budget Authority	190,708	60,264
Outlays	57,212	18,079
Christopher Columbus Quincentenary Jubilee Commission		
Salaries and expenses (31-30-0800-A):		
Budget Authority	226	71
Outlays	226	71
Gifts and donations (31-30-8095-A):		
401(C) Authority	29	9
Outlays	27	9

Commission for Preservation of America's Heritage Abroad		
Salaries and Expenses (31-50-3700-A):		
Budget Authority	207	65
Outlays	207	65

Commission for Study of International Migration and Cooperative Economic Development		
Comm. for the Study of Int. Mig. and Coop. Econ. Dev. S (31-55-1400-A):		
Budget Authority	1,341	424
Outlays	872	276

Commission of Fine Arts		
Salaries and expenses (31-60-2600-A):		
Budget Authority	530	167
Outlays	486	154
National capital arts and cultural affairs (31-60-2602-A):		
Budget Authority	5,655	1,787
Outlays	5,655	1,787

Commission on Agricultural Workers		
Commission on Agricultural Workers: Salaries and expens (31-65-0057-A):		
Budget Authority	799	252
Outlays	651	206

Commission on Civil Rights		
Salaries and expenses (31-75-1900-A):		
Budget Authority	5,944	1,878
Outlays	5,503	1,739

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Comm on the Bicentennial of the U.S. Constitution		
Salaries and expenses (32-15-0054-A):		
Budget Authority	15,529	4,907
Outlays	10,657	3,368
Commission on the Ukraine Famine		
Commission on the Ukraine Famine: Salaries and expenses (32-35-0050-A):		
Budget Authority	104	33
Outlays	104	33

Committee for Purchase from the Blind and Other Severely Handicapped		
Salaries and expenses (32-45-2000-A):		
Budget Authority	1,087	343
Outlays	981	313

Commodity Futures Trading Commission		
Commodity Futures Trading Commission (32-55-1400-A):		
Budget Authority	40,812	12,897
Outlays	36,141	11,421

Competitiveness Policy Council		
Competitiveness policy council (32-68-3750-A):		
Budget Authority	781	247
Outlays	703	222

Consumer Product Safety Commission		
Product safety (32-85-0100-A):		
Budget Authority	36,477	11,527
401(C) Authority—Off. Coll.	10	3
Outlays	31,015	9,801

Corporation for Public Broadcasting		
Public broadcasting fund (32-90-0151-A):		
401(C) Authority	298,870	94,443
Outlays	298,870	94,443

Court of Veterans Appeals		
Salaries and expenses (32-95-0300-A):		
Budget Authority	4,056	1,282
Outlays	3,447	1,089
Practice registration fee (32-95-5113-A):		
401(C) Authority	5	2

Defense Nuclear Facilities Safety Board		
Salaries and expenses (33-20-3900-A):		
Budget Authority	7,181	2,477
Unobligated Balances—		
Defense	252	87
Outlays	7,075	2,441

Delaware River Basin Commission		
Salaries and expenses (33-30-0100-A):		
Budget Authority	221	70
Outlays	206	65
Contribution to Delaware River Basin Commission (33-30-0102-A):		
Budget Authority	354	112
Outlays	354	112

District of Columbia		
Federal payment to the District of Columbia (33-40-1700-A):		
Budget Authority	448,581	141,752
401(C) Authority	20,300	6,415
Outlays	468,881	148,166
Federal payment to D.C. (water and sewer services) (33-40-1700-B):		
Budget Authority	9,050	2,860
Outlays	9,050	2,860

I. THE G-R-H BASELINE DEFICIT

The Balanced Budget and Emergency Deficit Control Act of 1985, as amended, (commonly known as Gramm-Rudman-Hollings, or G-R-H) sets deficit targets for 1991 through 1993. The Act requires automatic reductions in selected programs (a sequester) to achieve these targets if they cannot be reached through the legislative process. The table below shows the deficit targets specified in the Act. Except in 1993, the Act allows a \$10 billion margin-of-error. However, if the deficit exceeds the sequester trigger level, which is \$74 billion in 1991, the Act requires a sequester sufficient to reduce the baseline deficit to the target level—\$64 billion in 1991.

Deficit Targets

(In billions of dollars)

Fiscal Year	Target Deficit	Sequester Trigger
1991	64.0	74.0
1992	28.0	38.0
1993	zero	zero

Under the Act, the Director of the Office of Management and Budget (OMB) is obliged to determine each year whether or not sequestration is necessary and, if so, the magnitude of the sequester. The Congressional Budget Office (CBO) is obliged to prepare independently its own sequestration reports. The CBO reports are transmitted to the Director of OMB and to Congress, and provide a basis for comparison against which Congress and others may assess the OMB reports. The OMB reports to the President and the Congress provide the basis for sequestration orders to be issued by the President. The timetable for the OMB and CBO reports and Presidential orders for calendar year 1990 is as follows:

Report or Order	Date
Snapshot date for initial OMB and CBO report	August 15th
Initial CBO report	August 20th
Initial OMB report	August 25th
Initial Presidential order	August 25th
Final CBO report	October 10th
Final OMB report	October 15th
Final Presidential order	October 15th

OMB issued an estimate of the G-R-H baseline deficit in the Mid-Session Review of the Budget, which was published on July 16, 1990. Under the Act, subsequent G-R-H reports must use the economic and technical assumptions used in the Mid-Session Review. Both the OMB and CBO initial sequestration reports are based on laws enacted and regulations promulgated as final as of August 15th (the snapshot date). The final reports, however, do not share a common snapshot date. Rather, the G-R-H law requires that the final reports be based on laws enacted and final regulations promulgated by the latest possible date before the reports are issued. The CBO final report was issued on October 10th. Because no changes in law after the CBO snapshot date affected the OMB G-R-H baseline estimates, both the OMB and CBO final reports reflect the same enacted legislation and final regulations.

As required by the Act, this report:

- estimates the 1991 G-R-H baseline deficit, using the economic and technical assumptions indicated in the Mid-Session Review;
- calculates the sequester amounts required; and
- presents and explains significant differences between the estimates in this report and the estimates in the CBO report.

Baseline Estimates

This report shows the current-law G-R-H baseline deficit (which is different from the current estimate of the consolidated budget deficit) to be \$147.3 billion, \$83.3 billion above the \$64 billion deficit target specified in the Act for 1991 and \$73.3 billion above the level that would trigger a sequester. As shown in Table 1, OMB's current 1991 G-R-H baseline estimate for receipts is \$1,121.4 billion. G-R-H baseline outlays are estimated to total \$1,268.8 billion. These estimates include the receipts and outlays of the off-budget social security trust funds, although social security benefits themselves are exempt from sequestration.

The G-R-H baseline estimates assume that current law for revenues and spending authority (including most entitlements) will continue unchanged, and that expiring provisions of law providing revenues and spending authority will terminate as scheduled, except as provided in the G-R-H Act.¹ Because no 1991 appropriations bills have been enacted, baseline estimates for discretionary spending accounts are based on the 1990 appropriations adjusted for inflation and pay costs.

By following the specifications set forth in the Act for developing the baseline, the G-R-H estimates in this report include no adjustments for anomalies that result from the requirements of the Act. For instance, the G-R-H estimates assume that in 1991 the authorization for the food stamp program will expire and that the 1990 decennial census will be repeated in 1991. The latter certainly will not occur, and the former is highly unlikely. Nonetheless, the G-R-H Act requires that the baseline be calculated as if these unlikely events were reality.

In addition, the Act requires that G-R-H estimates of the Resolution Trust Corporation (RTC) net outlays be constrained by the current law limit on the availability of RTC funding as provided by the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 (Public Law 101-73). It now appears that the RTC may reach the \$50 billion limit in early 1991. For G-R-H baseline purposes, therefore, the RTC must be treated as if it were to run out of funds. Assuming no additional funding, RTC outlays could range from \$-14 billion to \$14 billion. The G-R-H estimates use a figure in the middle of this range, producing RTC outlays for 1991 of about \$0.1 billion. In reality, RTC net outlays for 1991 are likely to exceed \$88 billion—but, since this requires a change of law, the G-R-H baseline does not reflect this fact.

Although the Iraqi invasion of Kuwait has had a substantial impact on oil prices and other economic factors, these economic effects are not reflected in this report. The G-R-H law requires that the estimates in this report use the Mid-Session Review economic assumptions. For purposes of estimating the current baseline consolidated deficit, however, it seems reasonable to use updated economic and technical assumptions and to make other adjustments, such as assuming continuation of the food stamp program and additional funding for RTC. Under these assumptions, the baseline consolidated deficit for 1991 is currently estimated to be \$295.0 billion. (This estimate excludes savings that would result from enactment of legislation consistent with the Budget Summit Agreement and the Congressional budget resolution.)

¹ The G-R-H Act allows for continuation of expiring programs in the following cases: excise taxes dedicated to a trust fund (but not spending authority in that trust fund); Commodity Credit Corporation price support programs; contract authority for transportation trust funds; and authority to provide insurance through the Federal Housing Administration fund.

G-R-H Sequester Amounts—Continued

(in thousands of dollars)

Account Title	Sequester Base	Sequester Amount
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Readjustment benefits (29-10-0137-A):		
Budget Authority	238,386	75,530
Outlays	219,300	69,299
Veterans Health Services and Research Administration		
Medical care (29-20-0160-A):		
Budget Authority	906,352	286,407
Outlays	763,068	241,129
Medical care (29-20-0160-G):		
Budget Authority—Spec.	217,913	217,913
Rules		
401(C) Authority—Spec.	507	507
Outlays	182,934	182,934
Medical and prosthetic research (29-20-0161-A):		
Budget Authority	221,483	69,989
Outlays	163,232	51,581
Medical administration and miscellaneous operating expenses (29-20-0152-A):		
Budget Authority	48,632	15,368
Outlays	28,352	8,959
Grants to the Republic of the Philippines (29-20-0144-A):		
Budget Authority	513	162
Outlays	46	15

Departmental Administration		
General operating expenses (29-30-0151-A):		
Budget Authority	845,317	267,120
Outlays	777,692	245,751
Office of the Inspector General (29-30-0170-A):		
Budget Authority	22,688	7,169
Outlays	21,100	6,668
Grants for the construction of State veterans cemeteries (29-30-0183-A):		
Budget Authority	4,468	1,412
Outlays	7	2
Construction, major projects (29-30-0110-A):		
Budget Authority	425,701	134,522
Outlays	19,582	6,188
Construction, minor projects (29-30-0111-A):		
Budget Authority	96,812	30,593
Outlays	49,856	15,755
Grants for construction of state extended care facilities (29-30-0181-A):		
Budget Authority	43,003	13,569
Outlays	29,742	9,398
Parking garage revolving fund (29-30-4538-A):		
Budget Authority	1,487	470
Outlays		
Total, Department of Veterans Affairs:	3,026,197	956,279
Budget Authority	217,913	217,913
Rules		
401(C) Authority—Spec.	507	507
Outlays	2,369,574	873,912

Environmental Protection Agency		
Salaries and expenses (20-00-0200-A):		
Budget Authority	899,888	284,365
401(C) Authority—Off. Coll.	2,200	695
Outlays	776,104	245,249
Office of the Inspector General (20-00-0112-A):		
Budget Authority	32,191	10,172
Outlays	19,314	6,103
Research and development (20-00-0107-A):		
Budget Authority	239,608	75,716
401(C) Authority—Off. Coll.	5,000	1,580
Outlays	95,129	30,061
Abatement, control, and compliance (20-00-0108-A):		
Budget Authority	832,261	262,994
Outlays	386,063	121,996

G-R-H Sequester Amounts—Continued

(in thousands of dollars)

Account Title	Sequester Base	Sequester Amount
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Buildings and facilities (20-00-0110-A):		
Budget Authority	15,267	4,824
Outlays	2,520	796
Construction grants (20-00-0103-A):		
Budget Authority	2,029,846	641,431
Outlays	33,206	10,493
Revolving fund for certification and other services (20-00-4311-A):		
401(C) Authority—Off. Coll.	1,200	379
Outlays	200	63
Registration and expedited processing revolving fund (20-00-4310-A):		
401(C) Authority—Off. Coll.	16,000	5,056
Outlays	14,738	4,657
Hazardous substance superfund (20-00-8145-A):		
Budget Authority	1,594,389	503,827
401(C) Authority—Off. Coll.	13,200	4,171
Obligation limitation	227,450	71,874
Outlays	348,022	109,975
Leaking underground storage tank trust fund (20-00-8153-A):		
Budget Authority	77,208	24,398
Obligation limitation	6,077	1,920
Outlays	23,162	7,319
Total, Environmental Protection Agency:	5,720,658	1,807,727
Budget Authority	37,600	11,881
401(C) Authority—Off. Coll.	233,527	73,794
Obligation limitation	1,698,458	536,712
Outlays		

General Services Administration		
Real Property Activities		
Federal buildings fund (23-05-4542-A):		
Budget Authority	1,725,617	545,295
401(C) Authority—Off. Coll.	6,900	2,180
Outlays	351,130	110,957
Personal Property Activities		
Federal supply service (23-10-0116-A):		
Budget Authority	49,620	15,680
Outlays	43,418	13,720
Expenses of transportation audit contracts (23-10-5250-A):		
401(C) Authority	15,760	4,980
Outlays	410	130
Information Resources Management Service		
Operating expenses, information resources management service (23-15-0900-A):		
Budget Authority	33,831	10,691
Outlays	15,073	4,763
Federal Property Resources Activities		
Operating expenses, federal property resources service (23-25-0535-A):		
Budget Authority	11,532	3,644
Outlays	8,949	2,828
Real property relocation (23-25-0535-A):		
Budget Authority	8,276	2,615
Outlays	753	238
Expenses, disposal of surplus real and related personal proper (23-25-5254-A):		
401(C) Authority	3,800	1,201
Outlays	3,522	1,113
General management and administration, salaries and expenses (23-30-0110-A):		
Budget Authority	141,620	44,752
Outlays	96,504	30,495
Office of Inspector General (23-30-0108-A):		
Budget Authority	27,255	8,613
Outlays	24,011	7,587

G-R-H Sequester Amounts—Continued

(in thousands of dollars)

Account Title	Sequester Base	Sequester Amount
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Allowances and office staff for former Presidents (23-30-0105-A):		
Budget Authority	1,482	468
Outlays	1,288	407
Consumer information center fund (23-30-4549-A):		
Budget Authority	1,395	441
401(C) Authority—Off. Coll.	551	174
Outlays	762	241
Total, General Services Administration:	2,000,628	632,199
Budget Authority	19,560	6,181
401(C) Authority—Off. Coll.	7,451	2,354
Outlays	545,820	172,479

National Aeronautics and Space Administration

Research and development (26-00-0106-A):		
Budget Authority	5,466,332	1,727,361
401(C) Authority—Off. Coll.	10,781	3,407
Outlays	2,809,543	867,815
Space flight, control, and data communications (26-00-0105-A):		
Budget Authority	4,732,831	1,495,606
401(C) Authority	113,829	35,970
401(C) Authority—Off. Coll.	26,075	8,240
Outlays	3,373,672	1,066,143
Construction of facilities (26-00-0107-A):		
Budget Authority	428,254	135,328
Outlays	24,441	7,723
Research and program management (26-00-0103-A):		
Budget Authority	2,107,667	666,022
401(C) Authority—Off. Coll.	4,141	1,309
Outlays	1,812,488	572,746
Office of the Inspector General (26-00-0109-A):		
Budget Authority	9,092	2,873
Outlays	7,728	2,442
Science, Space and Technology Education Trust Fund (26-00-8978-A):		
401(C) Authority	1,000	316
Outlays	1,000	316
Total, National Aeronautics and Space Administration:	12,744,276	4,027,190
Budget Authority	114,829	36,266
401(C) Authority	40,997	12,956
401(C) Authority—Off. Coll.	8,029,072	2,557,185
Outlays		

Office of Personnel Management

Salaries and expenses (27-00-0100-A):		
Budget Authority	115,548	36,513
Outlays	109,770	34,667
Office of the Inspector General (27-00-0400-A):		
Budget Authority	2,999	948
Outlays	2,848	900
Government payment for annuitants, employees health benefits (27-00-0206-A):		
Budget Authority	3,509,563	1,109,022
Government payment for annuitants, employ. life insur. benefit (27-00-0500-A):		
Budget Authority	6,040	1,909
Outlays	5,710	1,804
Revolving fund (27-00-4571-A):		
401(C) Authority—Off. Coll.	792	250
Outlays	792	250
Civil service retirement and disability fund (27-00-8135-A):		
Obligation limitation	68,712	21,713
Outlays	67,974	21,460
Employees health benefits fund (27-00-8440-A):		
Obligation limitation	14,863	4,697
Outlays	14,863	4,697
Employees life insurance fund (27-00-8424-A):		
Obligation limitation	1,119	354
Outlays	1,119	354

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Grants-in-aid for airports (Airport and airway trust fund) (21-25-8106-A):		
401(C) Authority	1,800,000	568,800
Obligation limitation	1,485,000	469,260
Outlays	237,600	75,082
Facilities and equipment (Airport and airway trust fund) (21-25-8107-A):		
Budget Authority	1,793,421	566,721
401(C) Authority—Off. Coll.	49,860	15,756
Outlays	370,883	117,199
Research, engineering and development (Airport and airway trust fund (21-25-8108-A):		
Budget Authority	177,283	56,021
401(C) Authority—Off. Coll.	350	111
Outlays	121,611	38,429
Trust fund share of FAA Operations (21-25-8104-A):		
Budget Authority	841,083	265,782
Outlays	841,083	265,782

Coast Guard

Operating expenses (21-30-0201-A):	2,126,466	671,963
Budget Authority	5,718	1,807
401(C) Authority—Off. Coll.	1,812,721	572,820
Outlays	462,819	146,251
Acquisition, construction, and improvements (21-30-0240-A):	50,780	16,046
Budget Authority	2,421	765
Outlays	557	176
Retired pay (Coast Guard) (21-30-0241-A):	39,325	12,427
Budget Authority	39,325	12,427
Outlays	74,077	23,408
Reserve training (21-30-0242-A):	66,232	20,929
Budget Authority	21,297	6,730
Outlays	7,212	2,279
Research, development, test, and evaluation (21-30-0243-A):	62,332	19,697
Budget Authority	40,704	12,862
Outlays	5,000	1,590
Oil spill liability trust fund (21-30-8125-A):	75,000	23,700
Budget Authority	36,125	11,416
Outlays		

Maritime Administration

Operations and training (21-35-1750-A):	69,821	22,063
Budget Authority	58,860	18,600
Outlays	92,738	31,995
Ready reserve force (21-35-1710-A):	71,408	24,636
Budget Authority	7,300	2,307
Outlays	7,300	2,307
Federal ship financing fund (21-35-4301-A):	7,300	2,307
401(C) Authority—Off. Coll.	4,040	1,277
Obligation limitation		
Outlays		

Saint Lawrence Seaway Development Corporation

Saint Lawrence Seaway Development Corporation (21-40-4093-A):	1,400	442
401(C) Authority—Off. Coll.	1,400	442
Outlays		
Operations and maintenance (21-40-8003-A):	11,848	3,744
Budget Authority	11,848	3,744
Outlays		

Office of the Inspector General

Salaries and expenses (21-45-0130-A):	32,992	10,425
Budget Authority	28,506	9,008
Outlays		

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Research and Special Programs Administration		
Research and special programs (21-50-0104-A):	17,873	5,648
Budget Authority	11,796	3,728
Outlays	10,584	3,345
Pipeline safety (21-50-5172-A):	8,468	2,676
Budget Authority		
Outlays		

Office of the Secretary

Salaries and expenses (21-55-0102-A):	57,487	18,166
Budget Authority	51,739	16,350
Outlays	7,030	2,221
Transportation planning, research, and development (21-55-0142-A):	2,791	892
Budget Authority	31,930	10,090
Outlays	25,544	8,072
Commission on aviation security and terrorism (21-55-1850-A):	1,042	329
Budget Authority	4,628	1,462
Working capital fund (21-55-4520-A):	4,628	1,462
Budget Authority		
Outlays		

Total, Department of Transportation:

Budget Authority	13,249,726	4,189,599
401(C) Authority	17,574,679	5,563,599
401(C) Authority—Off. Coll.	79,112	25,000
Obligation limitation	15,604,595	4,931,053
Direct Loan Limitation	44,153	13,952
Outlays	10,523,929	3,327,630

Department of the Treasury

Salaries and expenses (15-05-0101-A):	60,493	19,116
Budget Authority	306	97
401(C) Authority—Off. Coll.	53,005	16,750
Outlays	26,047	8,231
International affairs (15-05-0171-A):	5,632	1,780
Budget Authority	28,324	8,950
401(C) Authority—Off. Coll.		
Outlays	15,790	4,990
Office of the Inspector General (15-05-0106-A):	13,642	4,311
Budget Authority		
Outlays		

Federal Law Enforcement Training Center

Salaries and expenses (15-08-0104-A):	36,978	11,685
Budget Authority	33,280	10,516
Outlays	15,630	4,939
Acquisitions, construction, improvements, and related expenses (15-08-0105-A):	7,815	2,470
Budget Authority		
Outlays		

Financial Management Service

Salaries and expenses (15-10-1801-A):	235,822	74,520
Budget Authority	190,309	60,138
Outlays	10,441	3,299
Saint Lawrence Seaway toll rebate program (15-10-8865-A):	10,304	3,256
Budget Authority		
Outlays		

Bureau of Alcohol, Tobacco and Firearms

Salaries and expenses (15-13-1000-A):	275,026	86,908
Budget Authority	247,522	78,217
Outlays		

United States Customs Service

Salaries and expenses (15-15-0602-A):	1,109,295	350,537
Budget Authority	157,125	49,652
401(C) Authority	16,550	5,230
401(C) Authority—Off. Coll.		

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Outlays	1,063,467	336,056
Operation and maintenance, air interdiction program (15-15-0604-A):	240,038	75,852
Budget Authority	132,021	41,719
Outlays	15,479	4,891
Customs forfeiture fund (15-15-5693-A):	34,510	10,905
Budget Authority	49,989	15,797
401(C) Authority	40,000	12,640
Outlays	40,000	12,640
Payments from forfeited assets (15-15-5696-A):	40,000	12,640
401(C) Authority	40,000	12,640
Outlays	40,000	12,640
Customs services at small airports (15-15-5694-A):	2,241	708
Budget Authority	2,241	708
Outlays	17,819	5,631
Refunds, transfers and expenses, unclaimed and abandoned goods (15-15-8788-A):	17,819	5,631
401(C) Authority	17,819	5,631
Outlays		

Bureau of Engraving and Printing

Bureau of Engraving and Printing fund (15-20-4502-A):	32,331	10,217
401(C) Authority—Off. Coll.	32,331	10,217
Outlays		

United States Mint

Salaries and expenses (15-25-1616-A):	52,130	16,473
Budget Authority	106,419	33,628
401(C) Authority—Off. Coll.	157,725	49,841
Outlays		

Bureau of the Public Debt

Administering the public debt (15-35-0560-A):	201,998	63,831
Budget Authority	177,153	55,980
Outlays		

Internal Revenue Service

Administration and Management (15-45-0911-A):	74,076	23,408
Budget Authority	66,669	21,067
Outlays	1,921,631	607,235
Processing tax returns and assistance (15-45-0912-A):	1,520,011	480,323
Budget Authority	3,732,171	1,179,366
Outlays	3,355,222	1,060,250

Reimbursement to State and Local Law Enforcement

Agencies (15-45-5099-A):	100	32
401(C) Authority	100	32
Outlays	6,000	1,896
Federal tax lien revolving fund (15-45-4413-A):	6,000	1,896
401(C) Authority—Off. Coll.		
Outlays		

United States Secret Service

Salaries and expenses (15-55-1408-A):	381,323	120,498
Budget Authority	325,023	102,707
Outlays	18,000	5,688
Contribution for annuity benefits (15-55-1407-A):	18,000	5,688
401(C) Authority		
Outlays		
Total, Department of the Treasury:	8,406,609	2,656,487
Budget Authority	267,554	84,548
401(C) Authority	167,238	52,848
401(C) Authority—Off. Coll.	7,547,972	2,385,160
Outlays		

Department of Veterans Affairs

Veterans Benefits Administration		
Burial benefits and miscellaneous assistance (29-10-0155-A):	143,100	45,220
Budget Authority	142,916	45,161
Outlays		

Table 1.—G-R-H Baseline Totals for 1991
(In billions of dollars)

	Laws and regulations in effect as of:			
	January 1, 1990	July 10, 1990	August 15, 1990	October 10, 1990
G-R-H Receipts.....	1,121.7	1,121.7	1,121.7	1,121.4
G-R-H Outlays.....	1,269.4	1,270.1	1,271.2	1,268.8
G-R-H Deficit.....	147.6	148.4	149.4	147.3

Memorandum: Current Baseline Consolidated Deficit: \$295.0 billion.

OMB's estimate of the G-R-H baseline deficit is further affected by a technical spendout requirement specified in the G-R-H Act. The Act requires that in developing the G-R-H baseline the Director of OMB shall assume that the aggregate spendout rate (the ratio of new outlays to new budgetary resources) from sequesterable discretionary resources for defense programs not differ by more than one-half percentage point from the comparable rate contained in the sequester report submitted for the previous fiscal year. The Act applies the same requirement to nondefense programs. The estimates for defense programs meet this requirement. To meet the requirement for nondefense programs, however, a \$0.1 billion upward adjustment of the estimated outlays from new budgetary resources is needed in order to bring the aggregate spendout rate within one-half a percentage point of the benchmark rate.

Final Sequester Order

Because these estimates indicate that a sequester would be required for 1991 under current law, the President is required to issue a final sequester order to withhold funds necessary to reduce outlays by \$83.3 billion. The final order for 1991 will be issued today, but its implementation has been suspended until October 19th under the Further Continuing Appropriations Act of 1991 (Public Law 101-412).

Given the unprecedented size of the sequester estimated in the Mid-Session Review and the August initial sequester report, agencies and departments were required to develop detailed plans to manage sequesterable programs. In addition to various programmatic reductions, these plans include reductions-in-force, furloughs, and hiring freezes to reduce staff costs. Because the sequester estimate in this report is of the same magnitude as the August estimate, these plans would in general still apply if the final sequester order were implemented. For an illustrative description of the programmatic impact of a potential \$100 billion sequester, see pages 18 through 38 in the Mid-Session Review of the Budget.

Changes Since January

Estimates of the G-R-H baseline using current economic and technical assumptions but assuming laws and regulations in effect on January 1, 1990, produce a fiscal year 1991 deficit of \$147.6 billion. Table 2 shows the impact on this estimated deficit of legislation enacted and final regulations promulgated since January. In total, these policy changes have reduced the baseline deficit by \$0.3 billion.

The Dire Emergency Supplemental Appropriations Act of 1990 (Public Law 101-302) increased the 1991 baseline deficit by \$0.7 billion. As a result of the embargo of Iraq, defaults on loans guaranteed by the Commodity Credit Corporation and the Export-Import Bank are expected to increase, adding \$0.9 billion in outlays.

Since August 15th, the snapshot date for the initial sequester report, the G-R-H baseline deficit has been reduced by \$2.1 billion. An increase in the deposit insurance premium paid by banks to the Bank Insurance Fund is anticipated to yield \$1.2 billion in additional collections in 1991. Establishment of the 1991 Federal pay raise of 3.5 percent effective January 1991 reduces outlays by \$0.9 billion

because the final pay raise is lower than the previous baseline estimate, which was calculated according to the G-R-H rules. Legislation enacted since August 15th has reduced the deficit by about \$0.1 billion.

Table 2.—G-R-H Baseline Deficits for 1991—Based on Laws in Effect in January, July, August, and October
(In billions of dollars)

January G-R-H baseline deficit.....	147.6
Changes in law January 1st–July 10th: 1990 supplemental appropriations (Public Law 101–302)	0.7
Other (including debt service)	0.1
Subtotal, changes in law January 1st–July 10th	0.8
July (Mid-Session Review) G-R-H baseline deficit.....	148.4
Changes in law July 10th–August 15th: Executive Orders 12722–12725	0.9
Other (including debt service)	0.1
Subtotal, changes in law July 10th–August 15th.....	1.0
August G-R-H baseline deficit	149.4
Changes in law August 15th–October 10th: Desert Shield authority in 1991 continuing appropriations (Public Law 101–403).....	0.4
Customs and Trade Act of 1990 (Public Law 101–382)	–0.4
Establishment of 1991 Federal pay raise (net)	–0.9
Bank Insurance Fund assessment rate increase	–1.2
Other (including debt service)	–0.1
Subtotal, changes in law August 15th–October 10th	–2.1
October G-R-H baseline deficit.....	147.3
MEMORANDUM	
Net deficit reduction achieved January 1st–October 10th	0.3

G-R-H Sequester Amounts—Continued (In thousands of dollars)				G-R-H Sequester Amounts—Continued (In thousands of dollars)				G-R-H Sequester Amounts—Continued (In thousands of dollars)			
Account Title	Sequester Base	Sequester Amount		Account Title	Sequester Base	Sequester Amount		Account Title	Sequester Base	Sequester Amount	
Total, Department of Labor:				Anti-terrorism assistance (14-25-0114-A):				National Highway Traffic Safety Administration			
Budget Authority	6,011,010	1,899,480		Budget Authority	10,393	3,284		Operations and research (21-10-0650-A):			
401(C) Authority	112,800	35,645		Outlays	8,314	2,627		Budget Authority	76,403	24,143	
401(C) Authority—Off. Coll.	2,800	885		U.S. bilateral science and technology agreements (14-25-1151-A):				Outlays	49,998	15,799	
Obligation limitation	3,076,815	972,273		Outlays				Trust fund share of operations and research (21-10-8016-A):			
Outlays	4,110,142	1,298,804		Budget Authority	4,138	1,308		Budget Authority	33,083	10,454	
Department of State				Outlays	4,138	1,308		State and community highway safety grants (21-10-8020-A):			
Administration of Foreign Affairs				Soviet-East European research and training (14-25-0118-A):				401(C) Authority	126,000	39,816	
Salaries and expenses (14-05-0113-A):				Outlays	4,793	1,515		Obligation limitation	138,108	43,010	
Budget Authority	1,867,228	590,044		Payment to the Asia Foundation (14-25-0525-A):				Outlays	55,804	17,634	
Outlays	1,475,111	466,135		Outlays	14,484	4,577		Federal Railroad Administration			
Office of the Inspector General (14-05-0529-A):				International Center, Washington, D.C. (14-25-5151-A):				Office of the Administrator (21-16-0700-A):			
Budget Authority	21,496	6,793		401(C) Authority	1,284	406		Budget Authority	22,467	7,100	
Outlays	21,067	6,657		Outlays	1,284	406		Outlays	17,359	5,485	
Acquisition and maintenance of buildings abroad (14-05-0535-A):				Fisherman's protective fund (14-25-5116-A):				Railroad safety (21-16-0702-A):			
Budget Authority	305,469	96,528		Outlays	1,042	329		Budget Authority	32,803	10,386	
Outlays	56,206	17,761		Fisherman's guaranty fund (14-25-5121-A):				Outlays	26,242	8,292	
Representation allowances (14-05-0545-A):				Budget Authority	938	296		Railroad safety research and development (21-16-0745-A):			
Budget Authority	4,793	1,515		Outlays	938	296		Budget Authority	9,957	3,146	
Outlays	4,122	1,303		Total, Department of State:				Outlays	5,975	1,888	
Protection of foreign missions and officials (14-05-0520-A):				Budget Authority	3,685,149	1,164,507		Commuter rail service (21-16-0747-A):			
Budget Authority	9,482	2,996		401(C) Authority	1,284	406		Budget Authority	5,127	1,620	
Outlays	7,681	2,427		401(C) Authority—Off. Coll.	40	13		Outlays	564	178	
Emergencies in the diplomatic and consular service (14-05-0522-A):				Outlays	2,753,803	870,204		Settlements of railroad litigation (21-16-0708-A):			
Budget Authority	4,830	1,526		Department of Transportation				Budget Authority	235	74	
Outlays	3,429	1,084		Federal Highway Administration				Outlays	235	74	
Payment to the American Institute in Taiwan (14-05-0523-A):				Motor carrier safety (21-05-0552-A):				Northeast corridor improvement program (21-16-0123-A):			
Budget Authority	11,610	3,669		Budget Authority	34,680	10,959		Budget Authority	25,469	8,048	
Outlays	8,591	2,715		Outlays	28,046	8,863		Outlays	5,094	1,610	
International Organizations and Conferences				Railroad-highway crossings demonstration projects (21-05-0557-A):				Grants to National Railroad Passenger Corporation (21-16-0704-A):			
Contributions to international organizations (14-10-1126-A):				Budget Authority	5,156	1,629		Budget Authority	630,082	199,106	
401(C) Authority—Off. Coll.	40	13		Outlays	1,031	326		Outlays	582,185	183,970	
Outlays	608,781	192,375		Miscellaneous appropriations (21-05-9911-A):				Amtrak Corridor Improvement Loans (21-16-0720-A):			
Contributions for international peacekeeping activities (14-10-1124-A):				Budget Authority	152,226	48,103		Outlays	1,824	1,152	
Budget Authority	84,484	26,697		Outlays	30,445	9,621		Regional rail reorganization program (21-16-4100-A):			
Outlays	84,484	26,697		Federal-aid highways (21-05-8083-A):				Budget Authority	23	7	
International conferences and contingencies (14-10-1125-A):				Budget Authority	1,042,000	329,272		Outlays	23	7	
Budget Authority	640,780	202,486		401(C) Authority	14,101,139	4,455,960		Urban Mass Transportation Administration			
Outlays	6,515	2,059		Obligation limitation	12,722,820	4,020,411		Administrative expenses (21-20-1120-A):			
Outlays	4,431	1,400		Outlays	2,372,828	749,814		Budget Authority	33,129	10,469	
International Commissions				Highway-related safety grants (21-05-8019-A):				Outlays	29,816	9,422	
Salaries and expenses, IBWC (14-15-1069-A):				401(C) Authority	10,000	3,160		Research, training and human resources (21-20-1121-A):			
Budget Authority	10,895	3,443		Obligation limitation	9,771	3,088		Budget Authority	10,389	3,283	
Outlays	9,806	3,099		Outlays	1,954	617		Outlays	2,078	657	
Construction, IBWC (14-15-1078-A):				Baltimore-Washington Parkway (21-05-8014-A):				Interstate transfer grants (21-20-1127-A):			
Budget Authority	11,935	3,771		Outlays	12,466	3,939		Budget Authority	166,220	52,526	
Outlays	5,967	1,886		Trust fund share of other highway programs (21-05-8009-A):				Outlays	3,324	1,050	
American sections, international commissions (14-15-1082-A):				Budget Authority	10,313	3,259		Washington metro (21-20-1128-A):			
Budget Authority	4,623	1,461		Outlays	2,062	652		Budget Authority	88,304	27,904	
Outlays	3,652	1,154		Highway safety research and development (21-05-8017-A):				Outlays	1,766	558	
International fisheries commissions (14-15-1087-A):				Budget Authority	6,317	1,996		Formula grants (21-20-1129-A):			
Budget Authority	12,657	4,000		Outlays	1,263	399		Budget Authority	1,693,364	535,103	
Outlays	12,657	4,000		Motor carrier safety grants (21-05-8048-A):				Outlays	547,310	172,950	
Other				401(C) Authority	62,540	19,763		Discretionary grants (21-20-8191-A):			
Migration and refugee assistance (14-25-1143-A):				Obligation limitation	62,540	19,763		401(C) Authority	1,400,000	442,400	
Budget Authority	446,460	141,081		Outlays	27,209	8,598		Obligation limitation	1,184,316	374,244	
Outlays	334,846	105,811		Miscellaneous trust funds—Highway (21-05-9972-A):				Outlays	59,168	18,697	
United States emergency refugee and migration assistance fund (14-25-0040-A):				Budget Authority	65,824	20,800		Federal Aviation Administration			
Budget Authority	86,320	27,909		Outlays	13,165	4,160		Operations (21-25-1301-A):			
Outlays	44,160	13,955		University transportation centers (21-05-8065-A):				Budget Authority	3,141,201	992,620	
International narcotics control (14-25-1022-A):				Budget Authority	1,039	328		401(C) Authority—Off. Coll.			
Budget Authority	117,784	37,220		Right-of-way revolving fund (trust revolving fund) (21-05-8402-A):				Outlays	2,678,555	846,423	
Outlays	35,336	11,166		Direct Loan Limitation	44,153	13,952		Aircraft purchase loan guarantee program (21-25-1399-A):			
				Outlays	44,153	13,952		Budget Authority	150	47	

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Office of Inspector General		
Office of Inspector General (10-88-0104-A):		
Budget Authority	21,312	6,735
Outlays	19,182	6,062
National Indian Gaming Commission		
National Indian Gaming Commission (10-89-0118-A):		
Budget Authority	782	247
Outlays	704	222

Total, Department of the Interior:

Budget Authority	6,528,023	2,062,858
401(C) Authority	1,357,241	428,889
401(C) Authority—Off. Coll.	284,645	89,947
Direct Loan Limitation	40,922	12,931
Guaranteed Loan Limitation	45,000	14,220
Outlays	5,731,329	1,811,101

Department of Justice

General Administration

Salaries and expenses (11-09-0129-A):		
Budget Authority	100,459	31,745
Outlays	90,011	28,443
Office of the Inspector General (11-03-0328-A):		
Budget Authority	21,394	6,760
Outlays	20,202	6,384

United States Parole Commission

Salaries and expenses (11-04-1061-A):		
Budget Authority	10,936	3,456
Outlays	9,405	2,972

Legal Activities

Salaries and expenses, General legal activities (11-05-0128-A):		
Budget Authority	307,138	97,056
Outlays	267,210	84,438
Salaries and expenses, Antitrust Division (11-05-0319-A):		
Budget Authority	35,910	11,348
401(C) Authority—Off. Coll.	20,000	6,320
Outlays	49,446	15,625
Salaries and expenses, Foreign Claims Settlement Commission (11-05-0100-A):		
Budget Authority	458	145
Outlays	332	105
Salaries and expenses, United States Attorneys (11-05-0322-A):		
Budget Authority	540,403	170,767
Outlays	475,555	150,275

Salaries and expenses, United States Marshals Service (11-05-0324-A):		
Budget Authority	255,447	80,721
401(C) Authority—Off. Coll.	58	18
Outlays	229,959	72,667
Support of United States prisoners (11-05-1020-A):		
Budget Authority	165,088	52,168
Outlays	99,053	31,301
Fees and expenses of witnesses (11-05-0311-A):		
Budget Authority	70,628	22,318
Outlays	49,510	15,645
Salaries and expenses, Community Relations Service (11-05-0500-A):		
Budget Authority	30,140	9,524
Outlays	25,618	8,095

Independent counsel (11-05-0327-A):		
401(C) Authority	4,000	1,264
Outlays	4,000	1,264
Civil Liberties Public Education Fund (11-05-0329-A):		
401(C) Authority	500,000	158,000
Outlays	500,000	158,000
United States trustees system fund (11-05-5073-A):		
Budget Authority	62,535	19,761
Outlays	56,281	17,785

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Assets forfeiture fund (11-05-5042-A):		
Budget Authority	103,101	32,580
401(C) Authority	272,000	85,952
Outlays	150,040	47,413
Interagency Law Enforcement		
Organized crime drug enforcement (11-07-0323-A):		
Budget Authority	223,948	70,768
Outlays	172,440	54,491

Federal Bureau of Investigation

Salaries and expenses (11-10-0200-A):		
Budget Authority	1,754,474	554,414
401(C) Authority—Off. Coll.	20,352	6,431
Outlays	1,406,125	444,336

Drug Enforcement Administration

Salaries and expenses (11-12-1100-A):		
Budget Authority	571,551	180,610
401(C) Authority—Off. Coll.	1,500	474
Outlays	430,163	135,932

Immigration and Naturalization Service

Salaries and expenses (11-15-1217-A):		
Budget Authority	877,287	277,223
401(C) Authority—Off. Coll.	3,817	1,206
Outlays	705,647	222,984
Immigration emergency fund (11-15-1218-A):		
Budget Authority	36,470	11,525

Immigration legalization (11-15-5086-A):

401(C) Authority	33,093	10,457
Outlays	33,093	10,457
Immigration user fee (11-15-5087-A):		
401(C) Authority	125,142	39,545
Outlays	125,142	39,545

Immigration examinations fee (11-15-5088-A):		
401(C) Authority	157,233	49,686
Outlays	157,233	49,686

Federal Prison System

Salaries and expenses (11-20-1060-A):		
Budget Authority	1,175,782	371,547
401(C) Authority—Off. Coll.	12,746	4,028
Outlays	1,103,871	348,823
National Institute of Corrections (11-20-1004-A):		
Budget Authority	10,389	3,283
Outlays	4,156	1,313
Buildings and facilities (11-20-1003-A):		
Budget Authority	1,455,599	459,969
Outlays	145,560	45,997
Federal Prison Industries, Incorporated (11-20-4500-A):		
Obligation limitation	2,965	937
Outlays	2,965	937

Office of Justice Programs

Justice assistance (11-21-0401-A):		
Budget Authority	640,077	202,264
Outlays	140,817	44,498
Public safety officers' benefits (11-21-0403-A):		
Budget Authority	26,075	8,240
Outlays	26,075	8,240
Crime Victims Fund (11-21-5041-A):		
401(C) Authority	125,000	39,500
Outlays	62,500	19,750
Total, Department of Justice:		
Budget Authority	8,475,289	2,678,192
401(C) Authority	1,216,468	384,404
401(C) Authority—Off. Coll.	58,473	18,477
Obligation limitation	2,965	937
Outlays	6,542,409	2,067,401

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Department of Labor		
Employment and Training Administration		
Program administration (12-05-0172-A):		
Budget Authority	67,376	21,291
Outlays	49,993	15,798
Training and employment services (12-05-0174-A):		
Budget Authority	4,093,932	1,293,683
Outlays	205,979	65,089
Community service employment for older Americans (12-05-0175-A):		
Budget Authority	382,427	120,847
Outlays	68,837	21,752
Federal unemployment benefits and allowances (12-05-0326-A):		
Budget Authority	269,500	85,162
Outlays	219,800	69,457

State unemployment insurance and employment services (12-05-0179-A):		
Budget Authority	22,924	7,244
Outlays	5,585	1,765
Unemployment trust fund (12-05-8042-A):		
401(C) Authority	112,800	35,645
Obligation limitation	3,031,698	958,016
Outlays	2,497,792	789,302

Labor-Management Services

Salaries and expenses (12-10-0104-A):		
Budget Authority	77,023	24,339
Outlays	65,970	20,847

Pension Benefit Guaranty Corporation

Pension Benefit Guaranty Corporation fund (12-12-4204-A):		
Obligation limitation	44,060	13,923
Outlays	44,060	13,923

Employment Standards Administration

Salaries and expenses (12-15-0105-A):		
Budget Authority	225,298	71,194
401(C) Authority—Off. Coll.	1,275	403
Outlays	197,555	62,427
Black lung disability trust fund (12-15-8144-A):		
Budget Authority	53,349	16,858
Outlays	53,349	16,858
Special workers' compensation expenses (12-15-9971-A):		
Obligation limitation	1,057	334
Outlays	1,057	334

Occupational Safety and Health Administration

Salaries and expenses (12-18-0400-A):		
Budget Authority	278,288	87,939
Outlays	242,502	76,631

Mine Safety and Health Administration

Salaries and expenses (12-19-1200-A):		
Budget Authority	175,202	55,364
Outlays	158,453	50,071

Bureau of Labor Statistics

Salaries and expenses (12-20-0200-A):		
Budget Authority	200,610	63,393
401(C) Authority—Off. Coll.	1,100	348
Outlays	164,537	51,994

Departmental Management

Salaries and expenses (12-25-0165-A):		
Budget Authority	121,936	38,532
401(C) Authority—Off. Coll.	425	134
Outlays	102,729	32,462
Inspector General salaries and expenses (12-25-0106-A):		
Budget Authority	43,145	13,634
Outlays	31,944	10,094

II. ECONOMIC ASSUMPTIONS

The principal economic assumptions underlying the G-R-H baseline estimates for 1991 are shown in Table 3. The Act requires the OMB Director to publish an estimate of the rate of real GNP growth for the last two quarters of fiscal year 1990 and for each quarter of fiscal year 1991. These estimates are shown in Table 4. Notwithstanding significant intervening events (such as those in the Mideast), these economic assumptions are the same as those used by OMB for its Mid-Session Review of the Budget—as required by law. They are *not* current estimates. They are far too optimistic. They are merely the estimates required by law.

Table 3.—Economic Assumptions

(Fiscal year 1991)

Gross National Product:	
Current dollars (in billions of dollars)	5,853.6
Percent change, year over year	7.0
Constant dollars (in billions of dollars)	4,311.4
Percent change, year over year	2.6
GNP Implicit Price Deflator (percent change, year over year) ¹	4.3
CPI-W (percent change, year over year)	4.3
Civilian Unemployment Rate (percent, fiscal year average)	5.7
Interest Rates (fiscal year average):	
91-day Treasury bills	7.2
10-year Treasury notes	8.2

¹ As required under the Act, the discretionary program inflation adjustment and pay raise costs are estimated using the increase in the GNP deflator (4.2 percent) from the economic assumptions presented in January. All other estimates in this report, however, use the economic assumptions presented in the Mid-Session Review of the Budget and shown in this table.

Table 4.—Real Economic Growth Rates by Quarter

(In percent, annual rates)

FY 1990		FY 1991			
Actual		Estimate		Estimates	
Jan.–Mar. 1990 ¹	Apr.–June 1990 ²	July–Sept. 1990	Oct.–Dec. 1990	Jan.–Mar. 1991	Apr.–June 1991
1.3	2.2	2.5	2.8	2.8	3.0

¹ As reported by the Department of Commerce (May 24, 1990) and used in the Mid-Session Review of the Budget. Subsequently, the Department of Commerce revised the “actual” for January–March 1990 to 1.7 percent. Pursuant to the Act, OMB may not update the Mid-Session figure for purposes of estimating the G-R-H baseline.

² On September 25, 1990, the Department of Commerce reported a “final” estimate for April–June 1990 of 0.4 percent.

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Low income home energy assistance (09-70-1502-A):		
Budget Authority	1,503,606	475,139
Outlays	1,368,281	432,377
Refugee and Entrant Assistance (09-70-1503-A):		
Budget Authority	390,564	123,418
Outlays	253,867	80,222
Community services block grant (09-70-1504-A):		
Budget Authority	397,068	125,473
401(C) Authority	8,041	2,541
Outlays	279,525	88,330
Payments to States for Family Support Activities (09-70-1509-A):		
Budget Authority	1,000,000	316,000
Outlays	763,000	241,108
Interim assistance to States for legalization (09-70-1508-A):		
401(C) Authority	840,000	265,440
Outlays	252,825	79,893

Human Development Services

Social services block grant (09-80-1634-A):		
Budget Authority	2,800,000	884,800
Outlays	2,660,000	840,560
Human development services (09-80-1636-A):		
Budget Authority	3,059,713	966,869
Outlays	1,778,479	561,999
Payments to State for foster care and adoption assistance (09-80-1645-A):		
Budget Authority—Spec.		
Rules	5,132	5,132
Outlays	3,683	3,683

Policy Management

General Departmental administration (09-90-0120-A):		
Budget Authority	82,692	26,131
Outlays	57,884	18,291
Office of the Inspector General (09-90-0128-A):		
Budget Authority	52,891	16,714
Outlays	39,670	12,536
Office for Civil Rights (09-90-0135-A):		
Budget Authority	18,128	5,728
Outlays	16,496	5,213
Office of Consumer Affairs (09-90-0137-A):		
Budget Authority	1,919	606
Outlays	1,535	485
Policy research (09-90-0122-A):		
Budget Authority	5,214	1,648
Outlays	2,086	659

Total, Department of Health and Human Services:		
Budget Authority	25,447,148	8,041,295
Budget Authority—Spec.		
Rules	39,875	39,875
401(C) Authority	1,342,412	424,202
401(C) Authority—Off. Coll.	4,012	1,268
401(C) Authority—Spec.		
Rules	60	60
Obligation limitation	2,507,662	792,421
Obligat. limit.—Spec. Rules	1,598,000	1,598,000
Outlays	20,104,465	7,464,777

Health and Human Services Social Security

Social Security

Federal old-age and survivors insurance trust fund (16-05-8006-A):		
Obligation limitation	1,686,297	532,870
Outlays	1,452,576	459,014
Federal disability insurance trust fund (16-05-8007-A):		
Obligation limitation	537,763	169,933
Outlays	469,246	148,282
Total, Health and Human Services Social Security:		
Obligation limitation	2,224,060	702,803
Outlays	1,921,822	607,296

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Department of Housing and Urban Development		
Housing Programs		
Subsidized housing programs (25-02-0164-A):		
Budget Authority	7,528,368	2,378,964
Outlays	71,957	22,738
Asst. for the renewal of expiring section 8 subsidy cont. (25-02-0194-A):		
Budget Authority	1,122,844	354,819
Outlays	61,532	19,444
Congregate services program (25-02-0178-A):		
Budget Authority	6,074	1,919
Housing counseling assistance (25-02-0156-A):		
Budget Authority	3,591	1,135
Section 8 moderate rehab. single room occupancy (25-02-0195-A):		
Budget Authority	76,259	24,098
Outlays	3,045	962
Manufactured home inspection and monitoring (25-02-5271-A):		
401(C) Authority	7,320	2,313
Outlays	6,500	2,054
Interstate land sales (25-02-5270-A):		
401(C) Authority	600	190
Outlays	600	190
FHA Mutual Mortgage and Cooperative Housing Insurance Fund (25-02-4070-A):		
Obligation limitation	227,388	71,855
Direct Loan Limitation	74,258	23,466
Guaranteed Loan Limitation	65,345,176	20,649,076
Outlays	227,388	71,855
FHA general and special risk insurance funds (25-02-4072-A):		
Obligation limitation	179,945	56,863
Direct Loan Limitation	16,633	5,256
Guaranteed Loan Limitation	11,593,499	3,683,546
Outlays	179,945	56,863
Housing for the elderly or handicapped fund (25-02-4115-A):		
Direct Loan Limitation	492,516	155,635
Rental housing assistance fund (25-02-4041-A):		
401(C) Authority—Off. Coll.	70,000	22,120
Outlays	70,000	22,120
Nonprofit sponsor assistance (25-02-4042-A):		
Direct Loan Limitation	1,114	352
Nehemiah Housing Opportunity Fund (25-02-4071-A):		
Budget Authority	25,220	7,970

Public and Indian Housing Programs

Payments for operation of low income housing projects (25-03-0163-A):		
Budget Authority	1,943,363	614,103
Outlays	893,436	282,326
Government National Mortgage Association		
Guarantees of mortgage-backed securities (25-04-4238-A):		
401(C) Authority—Off. Coll.	5,950	1,880
Guaranteed Loan Limitation	85,063,753	26,880,146
Outlays	5,950	1,880

Community Planning and Development

Community development grants (25-06-0162-A):		
Budget Authority	3,014,473	952,573
Guaranteed Loan Limitation	147,722	46,680
Outlays	121,500	38,384
Rental rehabilitation grants (25-06-0182-A):		
Budget Authority	133,360	42,142
Urban homesteading (25-06-0171-A):		
Budget Authority	13,541	4,279
Outlays	13,541	4,279
Emergency shelter grants program (25-06-0181-A):		
Budget Authority	76,237	24,091
Outlays	11,436	3,614

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Transitional and supportive housing demonstration programs (25-06-0188-A):		
Budget Authority	132,152	41,760
Rental Housing Assistance for the Homeless (25-06-0187-A):		
Budget Authority	11,191	3,536
Outlays	5,595	1,768
Rehabilitation loan fund (25-06-4036-A):		
401(C) Authority—Off. Coll.	13,703	4,330
Direct Loan Limitation	87,548	27,665
Outlays	29,685	9,380
Policy Development and Research		
Research and technology (25-28-0108-A):		
Budget Authority	21,284	6,726
Outlays	6,385	2,018
Fair Housing and Equal Opportunity		
Fair housing activities (25-29-0144-A):		
Budget Authority	12,931	4,086
Outlays	1,940	613

Management and Administration

Salaries and expenses, including transfer of funds (25-35-0143-A):		
Budget Authority	359,133	113,486
Outlays	276,385	87,338
Office of the Inspector General (25-35-0189-A):		
Budget Authority	24,705	7,807
Outlays	19,023	6,011
Total, Department of Housing and Urban Development:		
Budget Authority	14,504,726	4,583,494
401(C) Authority	7,920	2,503
401(C) Authority—Off. Coll.	89,653	28,330
Obligation limitation	407,333	128,718
Direct Loan Limitation	672,069	212,374
Guaranteed Loan Limitation	162,150,150	51,239,448
Outlays	2,005,843	633,847

Department of the Interior

Bureau of Land Management		
Management of lands and resources (10-04-1109-A):		
Budget Authority	454,023	143,471
Outlays	394,999	124,820
Construction and access (10-04-1110-A):		
Budget Authority	11,152	3,524
Outlays	2,788	881
Payments in lieu of taxes (10-04-1114-A):		
Budget Authority	109,410	34,574
Outlays	109,410	34,574
Oregon and California grant lands (10-04-1116-A):		
Budget Authority	66,606	21,047
Outlays	49,288	15,575
Special acquisition of lands and minerals (10-04-1117-A):		
401(C) Authority	1,300	411
Outlays	1,300	411
Firefighting (10-04-1119-A):		
401(C) Authority	276,490	87,371
Outlays	193,543	61,160
Land acquisition (10-04-5033-A):		
Budget Authority	16,018	5,062
Outlays	2,403	759
Range improvements (10-04-5132-A):		
Budget Authority	10,162	3,211
Outlays	6,401	2,023
Service charges, deposits, and forfeitures (10-04-5017-A):		
Budget Authority	6,250	1,975
Outlays	5,500	1,738
Operation and maintenance of quarters (10-04-5048-A):		
401(C) Authority	250	79
Outlays	210	66
Miscellaneous permanent appropriations (10-04-9821-A):		
401(C) Authority	146,894	46,418
Outlays	145,425	45,955

Certain programs and activities, while not exempt, are subject to special rules that have the effect of limiting the amount of the spending reduction. For example, the sequestration reduction for medicare, veterans medical care, and certain health programs (but not for the administrative expenses of these programs) is limited to two percent annually. In addition, the total amount of the automatic spending increases in three programs specified in the Act is sequesterable, but the program bases are exempt. Although the Federal share of extended unemployment benefits is sequesterable, if States act to increase their share by the amount of the reduction in the Federal share, total budget outlays, which include both the Federal and State shares, will not be changed by the sequestration.

For credit programs, the measures governing sequesterable budgetary resources are direct loan obligations and guaranteed loan commitments. In the event of a sequester, the Act requires that credit limitations enacted in annual appropriations acts be reduced, and that *de facto* limitations be imposed on both types of new credit activity where there is no enacted limitation.

Table 5.—Composition of G-R-H Baseline Outlay Estimates for 1991

(Dollar amounts in billions)

	Outlays	Percent of Total
Defense programs: ¹		
Subject to across-the-board reduction.....	120.8	9.5
Exempt from sequestration ²	185.2	14.6
Subtotal, defense programs	305.9	24.1
Nondefense programs:		
Subject to sequestration:		
Certain programs with automatic spending increases ³	1.4	0.1
Certain special rule programs ⁴	106.8	8.4
Subject to across-the-board reductions ⁵	120.1	9.5
Subtotal, subject to sequestration	228.3	18.0
Exempt from sequestration:		
Social security	264.6	20.9
Federal retirement, disability, and workers compensation.....	70.8	5.6
Earned income tax credit	4.7	0.4
Low-income programs ⁶	82.7	6.5
Veterans compensation and pensions.....	15.9	1.3
State unemployment benefits.....	18.3	1.4
Offsetting receipts and collections	−64.6	−5.1
Net interest.....	192.1	15.1
Other ⁷	150.0	11.8
Subtotal, exempt from sequestration.....	734.5	57.9
Subtotal, nondefense programs.....	962.8	75.9
Total.....	1,268.8	100.0

¹ Function 050, excluding Federal Emergency Management Agency (FEMA) programs.

² Largely outlays from military personnel accounts and obligated balances.

³ National Wool Act, special milk, and vocational rehabilitation programs.

⁴ Guaranteed student loans, foster care and adoption assistance, medicare, veterans medical care, and other health programs.

⁵ Excludes \$5.7 billion in estimated 1992 outlays for CCC that would be subject to a 1991 sequester.

⁶ Family support payment, child nutrition, medicaid, food stamps, SSI, and WIC.

⁷ Outlays from prior year appropriations, certain prior legal obligations, and other exempt programs.

IV. SEQUESTRATION CALCULATIONS

This report indicates that, under current law, an outlay reduction of \$83.3 billion, the difference between the current baseline deficit and the target of \$64 billion, is required. The reductions are determined using the following steps, as shown in Table 6.

First, one-half of the required deficit reduction is assigned to defense programs (budget accounts in the national defense function, 050, excluding the Federal Emergency Management Agency) and the other half to nondefense programs.

Second, the savings from eliminating automatic spending increases in three specific programs, which are listed in Table 7, are applied to the required reduction in outlays for nondefense programs. The amount of savings from eliminating these adjustments in 1991 is \$58 million.

Third, the amount of outlay savings to be obtained from programs subject to other special sequestration rules, also listed in Table 7, is then calculated. The estimated savings from these special rule programs, \$1.8 billion for 1991, are applied toward the required spending reductions in nondefense programs.

Table 6.—Sequestration Calculations for 1991
(Dollar amounts in billions)

	Estimate
Required deficit reduction	83.3
Defense programs: ¹	
Total required outlay reductions	41.7
Estimated outlays associated with across-the-board sequesterable budgetary resources ²	120.8
Uniform reduction percentage	34.5%
Nondefense programs:	
Total required outlay reductions	41.7
Estimated savings from automatic spending increases	0.1
Estimated savings from the application of special rules	1.8
Amount remaining to be obtained from uniform percentage reductions of budgetary resources	39.8
Estimated outlays associated with across-the-board sequesterable budgetary resources ³	125.8
Uniform reduction percentage	31.6%

¹ Function 050, excluding FEMA programs.

² Reflects Presidential exemption of military personnel accounts.

³ Includes \$5.7 billion in estimated 1992 outlays for the CCC and \$3.5 billion in outlays from offsetting collections that are subject to a 1991 sequester.

The reductions in defense programs and remaining reductions in nondefense programs are applied to budgetary resources on a uniform percentage basis, computed separately for each category. The uniform reduction percentages are computed from outlay estimates. The remaining outlay savings to be achieved separately in defense and nondefense spending are divided by the estimated outlays associated with sequesterable budgetary resources in each category. The two resulting uniform reduction percentages for defense and nondefense are then applied separately to all of the remaining sequesterable budgetary resources (budget authority, credit authority, and other spending authority) in each category.

Under current estimates, the uniform percentage reduction is 31.6 percent for nondefense programs. For defense programs, on August 10, 1990, the Director of OMB notified Congress of the

G-R-H Sequester Amounts—Continued (In thousands of dollars)			G-R-H Sequester Amounts—Continued (In thousands of dollars)			G-R-H Sequester Amounts—Continued (In thousands of dollars)		
Account Title	Sequester Base	Sequester Amount	Account Title	Sequester Base	Sequester Amount	Account Title	Sequester Base	Sequester Amount
Outlays	16,243	5,133	Tribal and Federal Health Services 2% split (G-R-H) (09-17-039C-G):			National Center for Human Genome Research (09-25-0891-A):		
Power Marketing Administration			Budget Authority—Spec.			Budget Authority	62,037	19,604
Operation and maintenance, Alaska Power Administration (19-50-0304-A):			Rules	22,700	22,700	Outlays	21,707	6,860
Budget Authority	1,993	601	401(C) Authority—Spec.			John E. Fogarty International Center (09-25-0819-A):		
Outlays	1,506	476	Rules	60	60	Budget Authority	16,165	5,108
Operation and maintenance, Southeastern Power Administration (19-50-0302-A):			Outlays	16,585	16,585	Outlays	7,761	2,452
Budget Authority	385	122	Indian health facilities 2% split (G-R-H) (09-17-0391-G):			National Library of Medicine (09-25-0807-A):		
Outlays	327	103	Budget Authority—Spec.			Budget Authority	65,274	26,946
Operation and maintenance, Southwestern Power Administration (19-50-0303-A):			Rules	1,493	1,493	Outlays	51,887	16,397
Budget Authority	6,012	1,900	Outlays	793	793	Office of the Director (09-25-0846-A):		
Outlays	3,737	1,181	Centers for Disease Control			Budget Authority	111,910	35,363
Construction, rehabilitation, operation and maintenance, WAPA (19-50-5068-A):			Disease control, research, and training (09-20-0943-A):			401(C) Authority	200	63
Budget Authority	43,035	13,599	Budget Authority	1,168,238	369,163	Buildings and facilities (09-25-0838-A):		
Outlays	19,388	6,127	401(C) Authority	346	109	Budget Authority	63,606	20,099
Bonneville Power Administration fund (19-50-4045-A):			Outlays	642,670	203,083	Outlays	12,721	4,420
401(C) Authority—Off. Coll.	45,800	14,473	National Institutes of Health			Alcohol, drug abuse, and mental health		
Outlays	45,800	14,473	National Cancer Institute (09-25-0849-A):			Administration		
Colorado river basin power marketing fund, WAPA (19-50-4452-A):			Budget Authority	1,702,646	538,036	Alcohol, drug abuse, and mental health (09-30-1361-A):		
401(C) Authority—Off. Coll.	7,668	2,423	Outlays	833,662	263,437	Budget Authority	2,736,127	864,616
Outlays	7,668	2,423	National Heart, Lung and Blood Institute (09-25-0872-A):			Outlays	930,259	293,962
Departmental Administration			Budget Authority	1,117,361	353,086	Federal subsidy for St. Elizabeths Hospital (09-30-1300-A):		
Departmental administration (19-60-0228-A):			Outlays	525,582	166,084	Budget Authority	18,756	5,927
Budget Authority	208,375	65,846	National Institute of Dental Research (09-25-0873-A):			Outlays	18,756	5,927
401(C) Authority—Off. Coll.	183,413	57,958	Budget Authority	141,437	44,694	Office of Assistant Secretary for Health		
Outlays	312,632	98,792	Outlays	77,963	24,636	Public health service management (09-37-1101-A):		
Office of the Inspector General (19-60-0236-A):			National Inst. of Diabetes, and Digestive and Kidney Diseases (09-25-0884-A):			Budget Authority	79,333	25,069
Budget Authority	23,565	7,447	Budget Authority	606,690	191,714	Outlays	47,793	15,103
Outlays	23,565	7,447	Outlays	194,069	61,325	Medical treatment effectiveness (09-37-1105-A):		
Total, Department of Energy:			National Institute of Neurological Disorders and Stroke (09-25-0886-A):			Budget Authority	27,956	8,834
Budget Authority	15,734,494	5,263,570	Budget Authority	510,959	161,463	Outlays	15,655	4,947
401(C) Authority	1,143,161	361,238	Outlays	209,492	66,200	Health Care Financing Administration		
401(C) Authority—Off. Coll.	1,540,824	486,900	National Institute of Allergy and Infectious Diseases (09-25-0885-A):			Program management (09-38-0511-A):		
Outlays	11,571,272	3,845,977	Budget Authority	867,929	274,265	Budget Authority	104,806	33,118
Department of Health and Human Services			Outlays	288,156	91,057	Outlays	104,806	33,118
Food and Drug Administration			National Institute of General Medical Sciences (09-25-0851-A):			Federal hospital insurance trust fund (09-38-6005-A):		
Program expenses (09-10-0600-A):			Budget Authority	710,412	224,491	401(C) Authority	103,825	32,809
Budget Authority	615,317	194,440	Outlays	255,738	80,813	Obligation limitation	1,037,804	327,946
Outlays	517,116	163,409	National Institute of Child Health and Human Development (09-25-0844-A):			Federal supplementary medical insurance trust fund (09-38-8004-A):		
Buildings and facilities (09-10-0603-A):			Budget Authority	461,497	145,833	8004-A):		
Budget Authority	8,701	2,750	Outlays	152,302	48,127	401(C) Authority	27,599	8,721
Outlays	1,305	412	National Eye Institute (09-25-0887-A):			Obligation limitation	1,469,658	464,475
Revolving fund for certification and other services (09-10-4309-A):			Budget Authority	246,245	77,813	Outlays	1,304,638	412,266
401(C) Authority—Off. Coll.	3,230	1,021	Outlays	91,044	28,769	FSM 2% split (G-R-H) (09-38-8004-S):		
Outlays	3,230	1,021	National Institute of Environmental Health Sciences (09-25-0862-A):			Obligat. limit.—Spec. Rules	408,000	408,000
Health Resources and Services			Budget Authority	238,352	75,320	Outlays	408,000	408,000
Health resources and services (09-15-0350-A):			Outlays	132,890	41,993	Social Security Administration		
Budget Authority	1,294,718	409,131	National Institute on Aging (09-25-0843-A):			Special benefits for disabled coal miners (09-60-0409-A):		
401(C) Authority—Off. Coll.	365	115	Budget Authority	249,499	78,842	Budget Authority	7,115	2,248
Outlays	684,444	216,285	Outlays	82,326	26,015	Outlays	7,115	2,248
Health resources and services 2% split (G-R-H) (09-15-0350-G):			National Ins. of Arthritis and Musculoskeletal and Skin Diseases (09-25-0888-A):			Supplemental security income program (09-60-0406-A):		
Budget Authority—Spec.			Budget Authority	176,017	55,621	Budget Authority	827,094	261,362
Rules	10,550	10,550	Outlays	72,443	22,892	Outlays	827,094	261,362
Outlays	6,330	6,330	NID and Other Communicative Disorders (09-25-0590-A):			Family Support Administration		
Vaccine improvement program trust fund (09-15-8175-A):			Budget Authority	122,519	38,716	Program administration (09-70-1500-A):		
Budget Authority	5,127	1,620	Outlays	50,506	15,960	Budget Authority	89,008	28,127
Outlays	5,053	1,597	Research resources (09-25-0848-A):			401(C) Authority—Off. Coll.	417	132
Indian Health			Budget Authority	368,709	116,512	Outlays	62,612	19,785
Tribal Health Administration (09-17-0390-A):			Outlays	234,276	74,031	Family support payment to States (CSE) (09-70-1501-B):		
Budget Authority	92,019	29,078	National Center for Nursing Research (09-25-0889-A):			Budget Authority	1,166,599	368,645
Outlays	67,303	21,268	Budget Authority	35,175	11,115	401(C) Authority	362,401	114,519
			Outlays	5,669	1,797	Outlays	1,529,000	483,164

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
General expenses (08-10-3124-A):		
Budget Authority	147,895	46,735
Outlays	118,316	37,388
Flood control, Mississippi River and tributaries (08-10-3112-A):		
Budget Authority	344,097	108,735
401(C) Authority—Off. Coll.	195	62
Outlays	241,064	76,176
Permanent appropriations (08-10-9921-A):		
401(C) Authority	12,000	3,792
Outlays	48	15
Revolving fund (08-10-4902-A):		
Budget Authority	10,274	3,247
Outlays	8,220	2,598
Inland waterways trust fund (08-10-8861-A):		
Budget Authority	122,245	38,629
Outlays	73,347	23,178
Rivers and harbors contributed funds (08-10-8862-A):		
401(C) Authority	205,500	64,938
Outlays	96,145	30,382
Harbor maintenance trust fund (08-10-8863-A):		
Budget Authority	168,461	53,234
Outlays	168,461	53,234

Soldiers' and Airmen's Home

Operation and maintenance (08-20-8931-A):		
Budget Authority	40,358	12,753
401(C) Authority—Off. Coll.	144	46
Outlays	35,458	11,205
Capital outlay (08-20-8932-A):		
Budget Authority	9,768	3,087
Outlays	3,419	1,080

Forest and Wildlife Conservation, Military

Wildlife conservation (08-30-5095-A):		
401(C) Authority	2,200	695
Outlays	1,450	458

The Mildred and Claude Pepper Foundation

Mildred and Claude Pepper Foundation (08-31-0826-A):		
Budget Authority	10,420	3,293
Outlays	10,420	3,293

Total, Department of Defense—Civil:

Budget Authority	3,388,295	1,070,702
401(C) Authority	219,700	69,425
401(C) Authority—Off. Coll.	4,089	1,293
Outlays	2,379,541	751,936

Department of Education

Office of Elementary and Secondary Education		
Compensatory education for the disadvantaged (18-10-0900-A):		
Budget Authority	5,593,832	1,767,651
Outlays	671,260	212,118
Impact aid (18-10-0102-A):		
Budget Authority	763,111	241,143
Outlays	614,498	194,181
School improvement programs (18-10-1000-A):		
Budget Authority	1,477,227	466,804
Outlays	177,264	56,015
Indian education (18-10-0101-A):		
Budget Authority	76,711	24,241
Outlays	11,220	3,546
Office of Bilingual Education and Minority Languages Affairs		
Bilingual and Immigrant Education (18-15-1300-A):		
Budget Authority	196,598	62,125
Outlays	23,591	7,455

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Office of Special Education and Rehabilitative Services		
Education for the handicapped (18-20-0300-A):		
Budget Authority	2,141,575	676,738
Outlays	264,558	83,600
Rehabilitation services and handicapped research (18-20-0301-A):		
Budget Authority	262,285	82,882
Outlays	201,959	63,819
Rehab svcs/handicap rsrch split for G-R-H: ASI (G-R-H) (18-20-0301-I):		
Budget Authority—ASI	68,782	68,782
Outlays	52,962	52,962
Special institutions for the handicapped (NTID) (18-20-0604-B):		
Budget Authority	37,585	11,877
Outlays	36,164	11,428
Special institutions for the handicapped (Gallaudet) (18-20-0604-C):		
Budget Authority	70,483	22,273
Outlays	67,290	21,264
Special institutions for the handicapped (APHB) (18-20-0604-D):		
Budget Authority	5,901	1,865
Outlays	5,901	1,865

Office of Vocational and Adult Education

Vocational and adult education (18-30-0400-A):		
Budget Authority	1,169,613	369,598
401(C) Authority	7,148	2,259
Outlays	141,213	44,623

Office of Postsecondary Education		
Student financial assistance (18-40-0200-A):		
Budget Authority	6,340,325	2,003,543
Outlays	1,174,049	370,999
Guaranteed student loans (18-40-0230-A):		
401(C) Authority—Spec.		
Rules	44,573	44,573
Outlays	35,658	35,658
Higher education (18-40-0201-A):		
Budget Authority	650,763	205,641
Outlays	95,116	30,057
Howard University (18-40-0603-A):		
Budget Authority	190,109	60,074
Outlays	181,473	57,345
College housing and academic facilities loans (18-40-0242-A):		
Budget Authority	39,709	12,548
Direct Loan Limitation	31,260	9,878
Outlays	6,789	2,145
College housing loans (18-40-4250-A):		
401(C) Authority—Off. Coll.	50	16
Outlays	50	16

Office of Educational Research and Improvement		
Research, statistics and improvement of practice (18-50-1100-A):		
Budget Authority	99,242	31,360
Outlays	42,674	13,485
Libraries (18-50-0104-A):		
Budget Authority	142,385	44,994
Outlays	51,244	16,193
Departmental Management		
Program Administration (18-80-0800-A):		
Budget Authority	284,667	89,955
Outlays	236,270	74,661
Office for Civil Rights (18-80-0700-A):		
Budget Authority	46,419	14,668
Outlays	38,528	12,175

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Office of the Inspector General (18-80-1400-A):		
Budget Authority	24,069	7,606
Outlays	19,977	6,313
Total, Department of Education:		
Budget Authority	19,612,609	6,197,586
Budget Authority—ASI	68,782	68,782
401(C) Authority	7,148	2,259
401(C) Authority—Off. Coll.	50	16
401(C) Authority—Spec.		
Rules	44,573	44,573
Direct Loan Limitation	31,260	9,878
Outlays	4,149,708	1,371,923

Department of Energy

Atomic Energy Defense Activities		
Atomic energy defense activities (19-10-0220-A):		
Budget Authority	10,050,633	3,467,468
Outlays	6,532,911	2,253,854

Energy Programs

General science and research activities (19-20-0222-A):		
Budget Authority	1,144,871	361,779
Outlays	865,522	273,505
Energy supply, R&D activities (19-20-0224-A):		
Budget Authority	2,276,645	719,420
Outlays	1,138,322	359,710
Uranium supply and enrichment activities (19-20-0226-A):		
401(C) Authority—Off. Coll.	1,287,700	406,913
Outlays	1,287,700	406,913
Fossil energy research and development (19-20-0213-A):		
Budget Authority	435,831	137,723
Outlays	174,332	55,089
Naval petroleum and shale reserves (19-20-0219-A):		
Budget Authority	197,391	62,376
Outlays	108,565	34,307
Energy conservation (19-20-0215-A):		
Budget Authority	383,518	121,192
Outlays	76,552	24,190
Strategic petroleum reserve (19-20-0218-A):		
Budget Authority	200,562	63,378
Outlays	110,309	34,858
SPR petroleum (19-20-0233-A):		
Budget Authority	224,310	70,882
401(C) Authority	184,818	58,402
Outlays	373,089	117,886
Energy information administration (19-20-0216-A):		
Budget Authority	67,004	21,173
Outlays	43,552	13,762
Emergency preparedness (19-20-0234-A):		
Budget Authority	6,823	2,156
Outlays	5,459	1,725
Economic regulation (19-20-0217-A):		
Budget Authority	19,060	6,023
Outlays	13,342	4,216
Federal Energy Regulatory Commission (19-20-0212-A):		
Budget Authority	120,357	38,033
Outlays	108,946	34,427
Geothermal resources development fund (19-20-0206-A):		
Budget Authority	80	25
Outlays	80	25
Clean Coal Technology (19-20-0235-A):		
401(C) Authority	956,000	302,096
Outlays	148,002	46,769
Payments to states under Federal Power Act (19-20-5105-A):		
401(C) Authority	2,343	740

Nuclear waste disposal fund (19-20-5227-A):		
Budget Authority	307,445	97,153
Outlays	153,723	48,576
Isotope production and distribution fund (19-20-4180-A):		
Budget Authority	16,689	5,274
401(C) Authority—Off. Coll.	16,243	5,133

President's intent to exempt the military personnel accounts from sequestration, as permitted by the G-R-H Act. For the remaining defense programs subject to sequester, the uniform percentage reduction is 34.5 percent.

The Act requires special calculations to achieve the uniform percentage reduction for child support enforcement (CSE). The Federal matching rate on most CSE expenditures would be reduced from 66 percent to 40 percent, and the rate for computer-related expenditures and genetic testing would be reduced from 90 percent to 54 percent. Nondefense savings from the across-the-board reductions also include \$1.8 billion of 1992 outlay savings from the Commodity Credit Corporation (CCC). Under the Act, CCC outlay reductions in 1992 resulting from contract adjustments made in 1991 following a sequester are to be credited to the overall outlay reduction required in 1991.

Table 7.—Programs Subject to Special Sequestration Rules

(Outlay amounts in millions of dollars)

	Required Outlay Reductions	Scheduled Increase (percent)
Programs with Automatic Spending Increases Subject to Sequestration:		
National Wool Act ¹	5	4.8
Special milk program ²	—	—
Vocational rehabilitation ³	53	4.5
Total	58	
Other Programs Subject to Special Sequestration Rules:		
Guaranteed student loans	36	
Foster care and adoption assistance	4	
Health programs with sequester limited to 2 percent:		
Medicare	1,598	
Veterans medical care and other health programs	207	
Total	1,844	

¹ Payment increases are based on changes in the wool parity price.

² Benefits are indexed to the Producer Price Index for Fresh Processed Milk. No automatic increase is projected for 1991.

³ The automatic spending increase for this program is specified in the program's authorizing legislation and requires an annual percent increase in funding for the State grant and Indian set-aside portions of the program equal to the percentage change in the Consumer Price Index for urban consumers over the past year.

Table 8.—G-R-H Pre- and Post-Sequester Baseline Estimates for 1991 by Function
(In billions of dollars)

Function	October Baseline		Post-Sequester		Sequester Estimate	
	Budget Authority	Outlays	Budget Authority	Outlays	Budget Authority	Outlays
National defense.....	313.2	306.3	233.0	264.5	80.2	41.7
International affairs	19.9	18.2	13.5	15.0	6.4	3.2
General science, space, and technology	15.2	15.2	10.4	12.3	4.8	2.9
Energy.....	6.8	5.0	4.8	3.3	2.1	1.6
Natural resources and environment.....	18.9	18.6	11.8	14.2	7.1	4.4
Agriculture ¹	19.0	14.3	16.7	11.8	2.3	2.5
Commerce and housing credit	17.2	15.0	16.0	13.4	1.2	1.6
Transportation.....	32.2	30.9	22.2	27.3	10.0	3.5
Community and regional development.....	9.4	8.1	7.1	7.6	2.3	0.6
Education, training, employment, and social services	43.7	42.5	32.8	38.7	10.8	3.8
Health.....	68.2	67.0	62.3	64.7	5.9	2.3
Medicare	122.9	105.4	122.9	103.1	*	2.3
Income security.....	179.5	146.3	173.8	143.4	5.7	2.9
Social security.....	340.6	266.9	340.6	266.3	—	0.6
Veterans benefits and services	31.9	31.3	30.7	30.4	1.2	0.9
Administration of justice	13.2	12.3	8.9	9.1	4.4	3.2
General government.....	12.7	11.8	8.5	8.4	4.2	3.4
Net interest ²	192.1	192.1	188.3	188.3	3.8	3.8
Allowances (spendout rate adjustment)	—	0.1	—	*	—	*
Undistributed offsetting receipts	-38.4	-38.4	-38.4	-38.4	—	—
Total.....	1,418.2	1,268.8	1,265.7	1,183.4	152.5	85.3

* \$50 million or less.
¹ Estimates exclude \$5.7 billion of 1992 CCC budget authority and outlays that would be subject to a 1991 sequester of \$1.8 billion.
² Estimates reflect the \$3.8 billion debt service reduction that would result from the sequester.

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
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Outlays	804,852	277,674
Other procurement, Navy (07-15-1810-A):		
Budget Authority	7,881,196	2,719,013
Unobligated Balances—		
Defense	3,819,915	1,317,871
Outlays	1,275,421	440,020
Procurement, Marine Corps (07-15-1109-A):		
Budget Authority	1,210,839	417,739
Unobligated Balances—		
Defense	222,381	76,721
Outlays	225,016	77,631
Aircraft procurement, Air Force (07-15-3010-A):		
Budget Authority	16,037,703	5,533,008
Unobligated Balances—		
Defense	7,132,558	2,460,733
Outlays	926,810	319,749
Missile procurement, Air Force (07-15-3020-A):		
Budget Authority	6,584,129	2,271,524
Unobligated Balances—		
Defense	2,538,951	875,338
Outlays	1,879,355	648,377
Other procurement, Air Force (07-15-3080-A):		
Budget Authority	8,839,294	3,049,556
Unobligated Balances—		
Defense	2,093,509	722,261
Outlays	6,275,429	2,165,023
Procurement, Defense agencies (07-15-0300-A):		
Budget Authority	1,387,518	478,694
Unobligated Balances—		
Defense	362,333	125,005
Outlays	507,458	175,073
National Guard and Reserve Equipment (07-15-0350-A):		
Budget Authority	1,030,246	355,435
Unobligated Balances—		
Defense	476,830	164,506
Outlays	162,765	56,154
Defense Production Act purchases (07-15-0360-A):		
Budget Authority	45,305	15,630
Unobligated Balances—		
Defense	47,627	16,431
Chemical agents and munitions destruction, Defense (07-15-0390-A):		
Budget Authority	264,898	91,390
Unobligated Balances—		
Defense	17,287	5,964
Outlays	107,512	37,092
Research, Development, Test, and Evaluation		
2040-A):		
Budget Authority	5,546,445	1,913,524
Unobligated Balances—		
Defense	351,349	121,215
Outlays	3,007,876	1,037,717
Research, development, test, and evaluation, Navy (07-20-1319-A):		
Budget Authority	9,884,825	3,410,265
Unobligated Balances—		
Defense	440,048	151,817
Outlays	5,781,929	1,994,766
Research, development, test, and evaluation, Air Force (07-20-3600-A):		
Budget Authority	14,038,406	4,843,250
Unobligated Balances—		
Defense	1,874,192	646,596
Outlays	9,149,743	3,156,661
Research, development, test, and evaluation, Defense agencies (07-20-0400-A):		
Budget Authority	8,383,291	2,892,235
Unobligated Balances—		
Defense	984,699	339,721
Outlays	5,030,610	1,735,560

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
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Developmental test and evaluation, Defense (07-20-0450-A):		
Budget Authority	185,706	64,069
Unobligated Balances—		
Defense	32,733	11,293
Outlays	46,965	16,203
Operational test and evaluation, Defense (07-20-0460-A):		
Budget Authority	13,259	4,574
Unobligated Balances—		
Defense	1,309	659
Outlays	606	209
Military Construction		
Military construction, Army (07-25-2050-A):		
Budget Authority	758,254	261,598
Unobligated Balances—		
Defense	338,004	116,611
Outlays	350,802	121,027
Military construction, Navy (07-25-1205-A):		
Budget Authority	1,166,204	402,340
Unobligated Balances—		
Defense	420,192	144,966
Outlays	261,755	90,305
Military construction, Air Force (07-25-3300-A):		
Budget Authority	1,223,616	422,148
Unobligated Balances—		
Defense	558,550	192,700
Outlays	294,058	101,450
Military construction, Defense agencies (07-25-0500-A):		
Budget Authority	531,243	183,279
Unobligated Balances—		
Defense	353,696	122,025
Outlays	123,891	42,742
North Atlantic Treaty Organization infrastructure (07-25-0804-A):		
Budget Authority	419,706	144,799
Unobligated Balances—		
Defense	19,231	6,635
Outlays	87,787	30,287
Military construction, Army National Guard (07-25-2085-A):		
Budget Authority	240,171	82,859
Unobligated Balances—		
Defense	93,727	32,336
Outlays	24,040	8,294
Military construction, Air National Guard (07-25-3830-A):		
Budget Authority	245,773	84,792
Unobligated Balances—		
Defense	104,179	35,942
Outlays	27,996	9,659
Military construction, Army Reserve (07-25-2086-A):		
Budget Authority	103,284	35,633
Unobligated Balances—		
Defense	35,015	12,080
Outlays	18,671	6,441
Military construction, Naval Reserve (07-25-1235-A):		
Budget Authority	58,977	20,347
Unobligated Balances—		
Defense	10,545	3,638
Outlays	9,733	3,358
Military construction, Air Force Reserve (07-25-3730-A):		
Budget Authority	48,140	16,608
Unobligated Balances—		
Defense	12,163	4,196
Outlays	6,452	2,226
Base realignment and closure account (07-25-0103-A):		
Budget Authority	521,000	179,745
Unobligated Balances—		
Defense	85,000	29,325
Outlays	203,616	70,248

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
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Foreign currency fluctuations, construction (07-25-0803-A):		
Unobligated Balances—		
Defense	152,484	52,607
Family Housing		
Family housing, Army (07-30-0702-A):		
Budget Authority	1,508,084	520,289
Unobligated Balances—		
Defense	92,975	32,076
Outlays	1,054,951	363,958
Family housing, Navy and Marine Corps (07-30-0703-A):		
Budget Authority	831,850	286,988
Unobligated Balances—		
Defense	137,094	47,297
Outlays	415,815	143,456
Family housing, Air Force (07-30-0704-A):		
Budget Authority	906,544	312,758
Unobligated Balances—		
Defense	57,950	19,993
Outlays	564,695	194,820
Family housing, Defense agencies (07-30-0706-A):		
Budget Authority	22,011	7,594
Unobligated Balances—		
Defense	70	24
Outlays	15,116	5,215
Revolving and Management Funds		
National Defense Stockpile transaction fund (07-40-4555-A):		
Unobligated Balances—		
Defense	421,828	145,531
Air Force stock fund (07-40-4921-A):		
Budget Authority	115,766	39,939
Outlays	45,149	15,576
Army industrial fund (07-40-4992-A):		
Budget Authority	31,052	10,713
Outlays	12,110	4,178
Emergency response fund (07-40-4965-A):		
Budget Authority	104,200	35,949
Unobligated Balances—		
Defense	100,000	34,500
Total, Department of Defense—Military:		
Budget Authority	222,074,467	76,615,693
401(C) Authority	21,300	7,348
Unobligated Balances—		
Defense	39,294,947	13,556,757
Outlays	114,139,942	39,378,278
Department of Defense—Civil		
Cemeterial Expenses, Army		
Salaries and expenses (08-05-1805-A):		
Budget Authority	12,899	4,076
Outlays	9,623	3,041
Corps of Engineers—Civil		
General investigations (08-10-3121-A):		
Budget Authority	134,624	42,541
Outlays	94,237	29,779
Construction, general (08-10-3122-A):		
Budget Authority	1,006,931	318,190
401(C) Authority—Off. Coll.	250	79
Outlays	403,022	127,355
Operation and maintenance, general (08-10-3123-A):		
Budget Authority	1,288,184	407,066
401(C) Authority—Off. Coll.	3,500	1,106
Outlays	1,038,156	328,057
Regulatory Program (08-10-3126-A):		
Budget Authority	71,301	22,531
Outlays	67,736	21,405
Flood control and coastal emergencies (08-10-3125-A):		
Budget Authority	20,838	6,565
Outlays	10,419	3,292

Table 9.—G-R-H Pre- and Post-Sequester Baseline Estimates for 1991 by Agency

(In billions of dollars)

Agency	October Baseline		Post-Sequester		Sequester Estimate	
	Budget Authority	Outlays	Budget Authority	Outlays	Budget Authority	Outlays
Legislative Branch.....	2.3	2.4	1.7	1.8	0.7	0.6
The Judiciary	1.8	1.8	1.3	1.3	0.5	0.5
Executive Office of the President.....	0.3	0.3	0.2	0.2	0.1	0.1
Funds Appropriated to the President	12.9	12.1	8.5	10.4	4.5	1.7
Agriculture ¹	43.0	35.2	37.6	29.8	5.4	5.4
Commerce.....	3.8	3.8	2.6	2.8	1.2	1.0
Defense—Military	302.5	295.8	225.9	256.4	76.6	39.4
Defense—Civil	38.7	26.3	37.5	25.6	1.1	0.8
Education	25.7	25.0	19.4	23.6	6.3	1.4
Energy.....	15.2	13.9	9.6	10.1	5.6	3.8
Health and Human Services, except Social Security	234.7	216.0	226.2	208.5	8.5	7.5
Health and Human Services, Social Security	336.6	262.9	336.6	262.3	—	0.6
Housing and Urban Development.....	18.2	23.2	13.6	22.6	4.6	0.6
Interior.....	6.5	6.2	4.0	4.4	2.5	1.8
Justice.....	9.7	8.8	6.6	6.7	3.1	2.1
Labor.....	32.2	28.1	30.3	26.8	1.9	1.3
State.....	4.5	3.9	3.3	3.1	1.2	0.9
Transportation.....	31.2	29.9	21.5	26.5	9.7	3.3
Treasury ²	276.6	275.5	270.1	269.3	6.6	6.2
Veterans Affairs.....	31.7	31.2	30.6	30.3	1.2	0.9
Environmental Protection Agency.....	5.6	5.7	3.8	5.2	1.8	0.5
General Services Administration.....	1.8	0.9	1.2	0.8	0.6	0.2
National Aeronautics and Space Administration	12.9	12.9	8.8	10.3	4.1	2.5
Office of Personnel Management.....	58.8	36.7	57.7	36.7	1.1	0.1
Small Business Administration.....	1.0	0.5	0.7	0.3	0.3	0.2
Other independent agencies	19.6	19.3	16.3	17.2	3.3	2.1
Allowances (spendout rate adjustment)	—	0.1	—	*	—	*
Undistributed offsetting receipts	−109.6	−109.6	−109.6	−109.6	—	—
Total.....	1,418.2	1,268.8	1,265.7	1,183.4	152.5	85.3

*\$50 million or less.

¹ Estimates exclude \$5.7 billion of 1992 CCC budget authority and outlays that would be subject to a 1991 sequester of \$1.8 billion.

² Estimates reflect the \$3.8 billion debt service reduction that would result from the sequester.

G-R-H Sequester Amounts—Continued

(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Operation and maintenance, Air National Guard (07-10-3840-A):		
Budget Authority	2,107,675	727,148
Outlays	1,700,893	586,808
National Board for the Promotion of Rifle Practice, Army (07-10-1705-A):		
Budget Authority	4,826	1,665
Outlays	2,655	916
Court of Military Appeals, Defense (07-10-0104-A):		
Budget Authority	4,108	1,417
Outlays	3,451	1,191
Drug Interdiction Defense (07-10-0105-A):		
Budget Authority	30,645	10,573
Outlays	12,258	4,229
Goodwill Games (07-10-0106-A):		
Budget Authority	15,132	5,221
Outlays	12,106	4,177
Foreign currency fluctuations, Defense (07-10-0801-A):		
Unobligated Balances—		
Defense	299,186	103,219
Environmental restoration, Defense (07-10-0810-A):		
Unobligated Balances—		
Defense	211	73
Outlays	116	40
Humanitarian Assistance (07-10-0819-A):		
Budget Authority	10,420	3,595
Outlays	7,638	2,635
Restoration of the Rocky Mountain Arsenal (07-10-5098-A):		
401(C) Authority	21,300	7,348
Unobligated Balances—		
Defense	29,880	10,309
Outlays	21,300	7,348
Procurement		
Aircraft procurement, Army (07-15-2031-A):		
Budget Authority	3,844,510	1,326,356
Unobligated Balances—		
Defense	702,737	242,444
Outlays	591,142	203,944
Missile procurement, Army (07-15-2032-A):		
Budget Authority	2,587,403	892,654
Unobligated Balances—		
Defense	651,960	224,926
Outlays	161,968	55,879
Procurement of weapons and tracked combat vehicles, Army (07-15-2033-A):		
Budget Authority	2,535,390	874,710
Unobligated Balances—		
Defense	1,097,334	378,580
Outlays	36,327	12,533
Procurement of ammunition, Army (07-15-2034-A):		
Budget Authority	2,017,357	695,988
Unobligated Balances—		
Defense	246,335	84,986
Outlays	769,655	285,531
Other procurement, Army (07-15-2035-A):		
Budget Authority	3,615,676	1,247,408
Unobligated Balances—		
Defense	1,166,611	402,481
Outlays	430,406	148,490
Aircraft procurement, Navy (07-15-1506-A):		
Budget Authority	9,543,052	3,292,353
Unobligated Balances—		
Defense	1,861,479	642,210
Outlays	1,539,612	531,166
Weapons procurement, Navy (07-15-1507-A):		
Budget Authority	5,528,022	1,907,168
Unobligated Balances—		
Defense	1,411,075	486,821
Outlays	624,519	215,459
Shipbuilding and conversion, Navy (07-15-1611-A):		
Budget Authority	11,682,207	4,030,361
Unobligated Balances—		
Defense	8,439,096	2,911,488

G-R-H Sequester Amounts—Continued

(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Information products and services (06-53-8546-A):		
401(C) Authority	53,000	16,748
Outlays	39,287	12,415
National Institute of Standards and Technology		
Scientific and technical research and services (06-55-0500-A):		
Budget Authority	170,288	53,811
Outlays	132,825	41,973
Working capital fund (06-55-4650-A):		
Budget Authority	562	178
Outlays	282	89
National Telecommunications and Information Administration		
Salaries and expenses (06-60-0550-A):		
Budget Authority	14,593	4,611
Outlays	11,675	3,689
Public telecommunications facilities, planning and construction (06-60-0551-A):		
Budget Authority	20,839	6,585
Outlays	2,417	764
Total, Department of Commerce:		
Budget Authority	3,842,365	1,214,188
401(C) Authority	60,906	19,246
401(C) Authority—Off. Coll.	289,380	91,445
Guaranteed Loan Limitation	675,375	213,418
Outlays	3,222,759	1,018,393
Department of Defense—Military		
Operation and Maintenance		
Operation and maintenance, Army (07-10-2020-A):		
Budget Authority	24,299,220	8,383,231
Outlays	19,779,564	6,823,950
Operation and maintenance, Navy (07-10-1804-A):		
Budget Authority	26,001,039	8,970,358
Outlays	20,020,800	6,907,176
Operation and maintenance, Marine Corps (07-10-1106-A):		
Budget Authority	1,881,853	649,239
Outlays	1,369,989	472,646
Operation and maintenance, Air Force (07-10-3400-A):		
Budget Authority	23,018,829	7,941,496
Outlays	17,655,442	6,091,127
Operation and maintenance, Defense agencies (07-10-0100-A):		
Budget Authority	8,130,714	2,805,096
Outlays	6,911,107	2,384,332
Office of the Inspector General (07-10-0107-A):		
Budget Authority	100,866	34,799
Unobligated Balances—		
Defense	19	7
Outlays	75,663	26,104
Operation and maintenance, Army Reserve (07-10-2080-A):		
Budget Authority	907,915	313,231
Outlays	690,015	238,055
Operation and maintenance, Navy Reserve (07-10-1806-A):		
Budget Authority	961,992	331,884
Outlays	607,972	209,750
Operation and maintenance, Marine Corps Reserve (07-10-1107-A):		
Budget Authority	81,722	28,194
Outlays	58,839	20,239
Operation and maintenance, Air Force Reserve (07-10-3740-A):		
Budget Authority	1,049,265	361,996
Outlays	845,708	291,769
Operation and maintenance, Army National Guard (07-10-2065-A):		
Budget Authority	1,945,704	671,268
Outlays	1,511,813	521,575

G-R-H Sequester Amounts—Continued

(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Economic and Statistical Analysis		
Salaries and expenses (06-08-1500-A):		
Budget Authority	32,189	10,172
401(C) Authority—Off. Coll.	395	125
Outlays	29,043	9,178
International Trade Administration		
Operations and administration (06-25-1250-A):		
Budget Authority	187,801	59,345
401(C) Authority—Off. Coll.	14,600	4,614
Outlays	146,999	46,452
Export Administration		
Operations and administration (06-30-0300-A):		
Budget Authority	43,139	13,632
Outlays	36,668	11,587
Minority Business Development Agency		
Minority business development (06-40-0201-A):		
Budget Authority	41,404	13,084
Outlays	21,033	6,646
United States Travel and Tourism Administration		
Salaries and expenses (06-44-0700-A):		
Budget Authority	14,711	4,649
401(C) Authority—Off. Coll.	1,450	458
Outlays	12,483	3,945
National Oceanic and Atmospheric Administration		
Operations, research, and facilities (06-48-1450-A):		
Budget Authority	1,330,812	420,537
401(C) Authority—Off. Coll.	15,315	4,840
Outlays	923,148	291,715
Fisheries Promotional Fund (06-48-5124-A):		
Budget Authority	2,084	659
Outlays	1,149	363
Promote and develop fishery products and research (06-48-5139-A):		
401(C) Authority	2,506	792
Outlays	1,381	436
Fishing vessel and gear damage compensation fund (06-48-5119-A):		
Budget Authority	108	34
Outlays	108	34
Fishermen's contingency fund (06-48-5120-A):		
Budget Authority	765	242
Outlays	727	230
Foreign fishing observer fund (06-48-5122-A):		
Budget Authority	2,045	646
Outlays	1,965	621
Coastal energy impact fund (06-48-4315-A):		
401(C) Authority—Off. Coll.	8,000	2,528
Outlays	8,000	2,528
Federal ship financing fund, fishing vessels (06-48-4417-A):		
401(C) Authority	5,400	1,706
Guaranteed Loan Limitation	480,000	151,680
Outlays	5,319	1,681
Aviation weather services program (06-48-8105-A):		
Budget Authority	30,825	9,741
Outlays	30,825	9,741
Patent and Trademark Office		
Salaries and expenses (06-51-1006-A):		
Budget Authority	89,476	28,274
401(C) Authority—Off. Coll.	241,620	76,352
Outlays	290,832	91,903
Technology Administration		
Salaries and Expenses (06-53-1100-A):		
Budget Authority	4,036	1,275
Outlays	3,471	1,097

V. COMPARISONS WITH CONGRESSIONAL BUDGET OFFICE ESTIMATES

As shown in Table 10, the Congressional Budget Office (CBO) estimates in its final sequester report a baseline deficit for 1991 of \$163.4 billion, \$16.1 billion above the final OMB G-R-H baseline estimate of \$147.3 billion. Under CBO assumptions, a sequester of \$99.4 billion would be triggered if no further policy changes were made, while OMB estimates that a sequester of \$83.3 billion would be required. This section provides the comparisons between OMB and CBO estimates that are required by the G-R-H Act.

Table 10.—Differences Between OMB and CBO G-R-H Baselines
(in billions of dollars)

	Outlays	Receipts	Deficit
OMB baseline.....	1,268.8	1,121.4	147.3
Changes due to:			
Conceptual differences:			
Food stamps.....	18.0	—	18.0
Airport and airway trust fund.....	—	-0.9	0.9
Other (largely debt service).....	0.8	—	0.8
Subtotal, conceptual.....	18.9	-0.9	19.7
Economic assumptions:			
Level of GNP and incomes.....	—	-6.4	6.4
Interest (including debt service).....	-1.0	-0.4	-0.6
Inflation and cost-of-living adjustments.....	-3.2	—	-3.2
Subtotal, economic.....	-4.2	-6.8	2.6
Technical:			
Resolution Trust Corporation.....	7.9	—	7.9
Other deposit insurance.....	2.1	—	2.1
Medicare and medicaid.....	-2.4	—	-2.4
Net interest (including debt service).....	-2.4	—	-2.4
Other.....	-2.1	9.3	-11.4
Subtotal, technical.....	3.1	9.3	-6.3
Total differences.....	17.7	1.6	16.1
CBO baseline.....	1,286.5	1,123.1	163.4

Different economic assumptions account for \$2.6 billion of the difference between OMB and CBO baseline deficit estimates. CBO forecasts slower real growth and lower interest and inflation rates than OMB. As a result, CBO estimates lower incomes and thus lower receipts, lower interest costs, and lower inflation adjustments for outlays. Technical estimating differences offset \$6.3 billion of the difference in the baseline deficit estimates, as discussed below. Conceptual differences between the OMB and CBO estimates account for \$19.7 billion. The primary conceptual difference stems from a different legal interpretation of the G-R-H law as it pertains to the expiration of the authority to appropriate funds for the food stamp program beyond 1990. OMB holds the view that the G-R-H baseline rules preclude counting new funds for food stamps in the absence of reauthorization, while CBO holds a contrary view.

Technical differences include \$9.3 billion higher receipts under CBO assumptions, due to different estimating assumptions and assumed levels of capital gains realizations, and \$3.1 billion higher

G-R-H Sequester Amounts—Continued
(in thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Outlays.....	1,232,978	389,621
Rural development insurance fund (05-75-4155-A):		
401(C) Authority—Off. Coll.	970	307
Direct Loan Limitation.....	463,350	146,419
Guaranteed Loan Limitation.....	201,431	63,652
Outlays.....	32,572	10,293
Rural development loan fund (05-75-4233-A):		
Budget Authority.....	17,470	5,521
Direct Loan Limitation.....	20,107	6,354
Outlays.....	2,011	635

Soil Conservation Service

Conservation operations (05-78-1000-A):		
Budget Authority.....	496,885	157,016
401(C) Authority—Off. Coll.	10,079	3,165
Outlays.....	467,213	147,639
Watershed planning (05-78-1066-A):		
Budget Authority.....	9,190	2,904
401(C) Authority—Off. Coll.	236	75
Outlays.....	8,139	2,572

River basin surveys and investigations (05-78-1069-A):		
Budget Authority.....	12,801	4,045
401(C) Authority—Off. Coll.	269	85
Outlays.....	12,302	3,887
Watershed and flood prevention operations (05-78-1072-A):		
Budget Authority.....	251,041	79,329
401(C) Authority—Off. Coll.	8,892	2,810
Outlays.....	159,709	50,468

Great plains conservation program (05-78-2268-A):		
Budget Authority.....	21,757	6,875
401(C) Authority—Off. Coll.	20	6
Outlays.....	9,476	2,994

Resource conservation and development (05-78-1010-A):		
Budget Authority.....	28,405	8,976
401(C) Authority—Off. Coll.	1,013	320
Outlays.....	25,008	7,903

Miscellaneous contributed funds (05-78-8210-A):		
401(C) Authority.....	560	177
Outlays.....	392	124

Animal and Plant Health Inspection Service

Salaries and expenses (05-79-1600-A):		
Budget Authority.....	370,260	117,002
401(C) Authority—Off. Coll.	29,580	9,347
Outlays.....	354,107	111,898
Buildings and facilities (05-79-1601-A):		
Budget Authority.....	14,170	4,478
Outlays.....	9,934	3,139

Federal Grain Inspection Service

Salaries and expenses (05-80-2400-A):		
Budget Authority.....	8,525	2,694
Outlays.....	7,326	2,315
Inspection and weighing services (05-80-4050-A):		
401(C) Authority—Off. Coll.	37,164	11,744
Outlays.....	37,164	11,744

Agricultural Marketing Service

Marketing services (05-81-2500-A):		
Budget Authority.....	34,548	10,917
401(C) Authority—Off. Coll.	40,381	12,760
Outlays.....	67,680	21,387
Payments to States and possessions (05-81-2501-A):		
Budget Authority.....	1,288	407
Outlays.....	335	106
Perishable Agricultural Commodities Act fund (05-81-5070-A):		
401(C) Authority.....	5,675	1,793
Outlays.....	3,754	1,186

Funds for strengthening markets, income, and supply (section 3 (05-81-5209-A):		
401(C) Authority.....	375,277	118,588
Outlays.....	44,052	13,920

G-R-H Sequester Amounts—Continued
(in thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Miscellaneous trust funds (05-81-9972-A):		
401(C) Authority.....	87,689	27,710
Outlays.....	66,898	21,140
Milk market orders assessment fund (05-81-8412-A):		
401(C) Authority—Off. Coll.	41,032	12,966
Outlays.....	41,032	12,966

Office of Transportation

Office of Transportation (05-82-2800-A):		
Budget Authority.....	2,497	789
Outlays.....	2,082	658

Food Safety and Inspection Service

Salaries and expenses (05-83-3700-A):		
Budget Authority.....	438,473	138,557
401(C) Authority—Off. Coll.	38,586	12,193
Outlays.....	443,594	140,176
Exp. and returns, insp. and grading (05-83-8137-A):		
401(C) Authority.....	1,200	379
Outlays.....	977	309

Food and Nutrition Service

Food program administration (05-84-3508-A):		
Budget Authority.....	95,526	30,186
Outlays.....	85,018	26,866
Child nutrition programs (05-84-3539-A):		
Budget Authority.....	4,135	1,307
Outlays.....	4,135	1,307
Supplemental feeding programs (05-84-3510-A):		
Budget Authority.....	5,000	1,580
Outlays.....	5,000	1,580

Food donations programs for selected groups (05-84-3503-A):		
Budget Authority.....	244,174	77,159
Outlays.....	193,618	63,079

Temporary emergency food assistance program (05-84-3635-A):		
Budget Authority.....	51,915	16,405
Outlays.....	30,889	9,761

Human Nutrition Information Service

Human Nutrition Information Services (05-86-3501-A):		
Budget Authority.....	9,407	2,973
Outlays.....	5,371	1,687

Packers and Stockyards Administration

Packers and Stockyards Administration (05-90-2600-A):		
Budget Authority.....	9,958	3,147
Outlays.....	9,052	2,860

Agricultural Cooperative Service

Agricultural Cooperative Service (05-92-3000-A):		
Budget Authority.....	4,910	1,552
Outlays.....	3,520	1,112

Forest Service

National forest system (05-96-1106-A):		
Budget Authority.....	1,197,458	378,397
Outlays.....	1,033,854	326,698
Construction (05-96-1103-A):		
Budget Authority.....	231,221	73,066
401(C) Authority—Off. Coll.	2,835	896
Outlays.....	103,006	32,550
Forest research (05-96-1104-A):		
Budget Authority.....	156,106	49,329
401(C) Authority—Off. Coll.	1,018	322
Outlays.....	125,301	39,585

State and private forestry (05-96-1105-A):		
Budget Authority.....	115,797	36,582
401(C) Authority—Off. Coll.	604	191
Outlays.....	62,647	19,796
Forest service fire fighting (05-96-1111-A):		
Budget Authority.....	845,311	267,118
Outlays.....	821,624	259,633

G-R-H Sequester Amounts—Continued
(in thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Range betterment fund (05-96-5207-A):		
Budget Authority.....	4,570	1,444
Outlays.....	3,711	1,173
Land acquisition (05-96-5004-A):		
Budget Authority.....	66,088	20,894
Outlays.....	17,941	5,669
Acquisition of lands for natl forests (05-96-5208-A):		
Budget Authority.....	1,103	349
Outlays.....	627	198
Acq. of lands to complete land exchanges (05-96-5216-A):		
Budget Authority.....	1,105	349
Outlays.....	989	313

Operations and maintenance of quarters (05-96-5219-A):		
401(C) Authority.....	5,888	1,861
Outlays.....	1,881	594
Forest Service permanent appropriations (05-96-9922-A):		
401(C) Authority.....	148,164	46,820
Outlays.....	134,761	42,584

Forest Service permanent appropriations (05-96-9921-A):		
401(C) Authority.....	377,425	119,266
Outlays.....	359,935	113,739
Working capital fund (05-96-4605-A):		
401(C) Authority—Off. Coll.	10,101	3,192
Outlays.....	10,101	3,192

Reforestation trust fund (05-96-8046-A):		
401(C) Authority.....	30,000	9,480
Outlays.....	29,916	9,453
Cooperative work trust fund (05-96-8028-A):		
401(C) Authority.....	329,502	104,123
Outlays.....	272,256	86,033

Gifts, donations, bequests for forest and rangeland research (05-96-8034-A):		
Budget Authority.....	30	9
Outlays.....	30	9

Total, Department of Agriculture:		
Budget Authority.....	11,123,411	3,514,996
401(C) Authority.....	11,627,673	3,674,346
401(C) Authority—Off. Coll.	500,531	156,169
401(C) Authority—ASI.....	5,400	5,400
Obligation limitation.....	1,896,228	599,208
Direct Loan Limitation.....	18,671,832	5,900,299
Direct Loan floor.....	2,054,220	649,134
Guaranteed Loan Limitation.....	8,865,718	2,801,567
Outlays.....	22,941,390	7,253,167

Department of Commerce

General Administration

Salaries and expenses (06-05-0120-A):		
Budget Authority.....	28,977	9,157
Outlays.....	27,759	8,772
Office of the Inspector General (06-05-0126-A):		
Budget Authority.....	13,884	4,387
Outlays.....	13,301	4,203

Economic Development Administration

Grants and loans administration (06-06-0125-A):		
Budget Authority.....	26,409	8,345
Outlays.....	23,188	7,327
Economic development assistance programs (06-06-2050-A):		
Budget Authority.....	199,522	63,049
Guaranteed Loan Limitation.....	195,375	61,738
Outlays.....	19,952	6,305

Bureau of the Census

Salaries and expenses (06-07-0401-A):		
Budget Authority.....	104,036	32,875
401(C) Authority—Off. Coll.	8,000	2,528
Outlays.....	100,582	31,787
Periodic censuses and programs (06-07-0450-A):		
Budget Authority.....	1,483,860	468,900
Outlays.....	1,338,330	422,912

outlays under CBO assumptions. The technical difference for outlays is the net of \$9.9 billion higher outlays for the Resolution Trust Corporation (RTC) and other deposit insurance programs, and \$6.9 billion lower CBO estimates for medicare and medicaid, net interest, and other programs. The higher CBO estimate for the RTC reflects differences in OMB and CBO assumptions about how much of the \$50 billion available to that agency will be spent on savings and loan case resolutions in fiscal year 1990 and how much in fiscal year 1991.

The Act requires three comparisons of differences between OMB and CBO estimates. Table 11 shows, by type of sequesterable resource for defense and nondefense programs, the amount of budgetary resources that would be sequestered using the OMB estimate of the required outlay reductions and CBO's estimating methodology. Table 12 identifies differences between OMB and CBO estimates of the aggregate amount of resources to be sequestered by type of resource for defense and nondefense programs. Table 13 identifies differences for accounts where OMB and CBO estimates of sequesterable resources differ by \$5 million or more. Explanations of these differences are presented in the footnotes, which appear at the end of the table.

Table 11.—Budgetary Resource Reductions Using CBO Assumptions
(In billions of dollars)

	Sequester Amount
Defense programs: ¹	
Budget authority	80.0
Unobligated balances	13.3
Nondefense programs:	
Budget authority	55.5
Budget authority—special rules	0.3
401C authority	13.5
401C authority—use of offsetting collections	0.7
401C authority—special rules	1.9
Obligation limitation and other 401C authority	8.3
Direct loan limitation	5.9
Direct loan floor	0.6
Loan guarantee limitation	58.6
Guaranteed loan floor	—
MEMORANDUM: Aggregate outlay reductions required—\$83.3 billion	

Source: Congressional Budget Office.
¹ Function 050, excluding FEMA programs.

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Guaranteed Loan Limitation	5,500,000	1,738,000
Outlays	10,260,943	3,242,458
Commodity Credit Corporation Fund (05-66-4336-A):		
401(C) Authority—ASI	5,400	5,400
Outlays	5,400	5,400
Rural Electrification Administration		
Salaries and expenses (05-72-3100-A):		
Budget Authority	32,714	10,338
Outlays	29,442	9,304
Reimbursement to the Rural electric and telephone revolving fund for int. (05-72-3101-A):		
Budget Authority	277,700	87,753
Outlays	277,700	87,753
Purchase of Rural Telephone Bank capital stock (05-72-3102-A):		
Budget Authority	29,916	9,453
Outlays	29,916	9,453
Rural communication development fund (05-72-4142-A):		
Budget Authority	1,264	399
Outlays	1,264	399
Rural electrification and telephone revolving fund (05-72-4230-A):		
Budget Authority	5,202	1,644
Direct Loan Limitation	3,488,538	1,102,378
Direct Loan Floor	1,869,739	590,838
Outlays	234,588	74,130
Rural telephone bank (05-72-4231-A):		
Direct Loan Limitation	219,383	69,325
Direct Loan Floor	184,481	58,296
Outlays	9,118	2,881

Farmers Home Administration

Salaries and expenses (05-75-2001-A):		
Budget Authority	441,096	139,386
Outlays	402,915	127,321
Rural water and waste disposal grants (05-75-2066-A):		
Budget Authority	216,423	68,390
Outlays	8,657	2,736
Rural community fire protection grants (05-75-2067-A):		
Budget Authority	3,221	1,018
Outlays	1,450	458
Rural housing for domestic farm labor (05-75-2004-A):		
Budget Authority	11,318	3,576
Outlays	113	36
Mutual and self-help housing (05-75-2006-A):		
Budget Authority	8,997	2,843
Outlays	720	228
Very low income housing repair grants (05-75-2064-A):		
Budget Authority	13,025	4,116
Outlays	12,374	3,910
Compensation for construction defects (05-75-2071-A):		
Budget Authority	521	165
Outlays	260	82
Rural housing preservation grants (05-75-2070-A):		
Budget Authority	19,944	6,302
Outlays	598	189
Rural development grants (05-75-2065-A):		
Budget Authority	17,095	5,402
Outlays	2,564	810
Agricultural credit insurance fund (05-75-4140-A):		
Budget Authority	3,601	1,138
401(C) Authority—Off. Coll.	162,151	51,240
Direct Loan Limitation	1,671,400	528,162
Guaranteed Loan Limitation	3,164,287	999,915
Outlays	1,246,852	394,005
Self-help housing land development fund (05-75-4222-A):		
Direct Loan Limitation	521	165
Outlays	130	41
Rural housing insurance fund (05-75-4141-A):		
401(C) Authority—Off. Coll.	86,052	27,192
Obligation limitation	308,760	97,568
Direct Loan Limitation	1,985,770	627,503

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
National Agricultural Statistics Service		
National Agricultural Statistics Service (05-33-1801-A):		
Budget Authority	69,659	22,012
401(C) Authority—Off. Coll.	1,717	543
Outlays	61,745	19,511
Economic Research Service		
Economic Research Service (05-36-1701-A):		
Budget Authority	52,764	16,673
Outlays	44,576	14,086
World Agricultural Outlook Board		
World agricultural outlook board (05-50-2100-A):		
Budget Authority	1,987	628
Outlays	1,589	502
Foreign Agricultural Service		
Foreign Agricultural Service (05-51-2900-A):		
Budget Authority	105,574	33,361
Outlays	65,456	20,684
Office of International Cooperation and Development		
Office of International Cooperation and Development (05-53-3200-A):		
Budget Authority	6,292	1,988
Outlays	6,292	1,988
Scientific activities overseas (05-53-1404-A):		
Budget Authority	912	288
Outlays	547	173

Foreign Assistance Programs

Expenses, PL 480, foreign assistance programs, Agriculture (05-57-2274-A):		
Budget Authority	1,020,321	322,421
Obligation limitation	1,587,468	501,640
Direct Loan Limitation	822,763	253,993
Outlays	1,020,321	322,421
Agricultural Stabilization and Conservation Service		
Salaries and expenses (05-60-3300-A):		
Budget Authority	11,575	3,658
401(C) Authority—Off. Coll.	23,966	7,580
Outlays	24,099	7,615
Agricultural conservation program (05-60-3315-A):		
Budget Authority	190,028	60,049
Outlays	87,223	27,562
Colorado river basin salinity control program (05-60-3318-A):		
Budget Authority	10,775	3,405
Outlays	5,388	1,703
Conservation reserve program (05-60-3319-A):		
Budget Authority	1,878,038	593,460
Outlays	1,310,385	414,082
Water Bank program (05-60-3320-A):		
Budget Authority	12,754	4,030
Outlays	1,849	584
Emergency conservation program (05-60-3316-A):		
Budget Authority	31,184	9,854
Outlays	16,216	5,124
Forestry incentives program (05-60-3336-A):		
Budget Authority	12,969	4,098
Outlays	4,280	1,352

Federal Crop Insurance Corporation

Administrative and operating expenses (05-63-2707-A):		
Budget Authority	247,366	78,168
Outlays	176,850	55,885
Commodity Credit Corporation		
Commodity Credit Corporation Fund (05-66-4336-A):		
401(C) Authority	10,260,943	3,242,458
Direct Loan Limitation	10,000,000	3,160,000

G-R-H Sequester Amounts—Continued
(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
Obligation limitation	286,926	90,669
Direct Loan Limitation	445,613	140,813
Guaranteed Loan Limitation	835,910	264,147
Outlays	5,341,823	1,688,017
Department of Agriculture		
Office of the Secretary		
Office of the Secretary (05-03-0115-A):		
Budget Authority	7,586	2,400
Outlays	7,542	2,383
Gifts and bequests (05-03-8203-A):		
401(C) Authority	2,500	790
Outlays	2,041	645
Departmental Administration		
Departmental administration (05-05-0120-A):		
Budget Authority	22,934	7,247
Outlays	16,717	5,283
Hazardous Waste Management (05-05-0500-A):		
Budget Authority	20,764	6,561
Outlays	10,101	3,192
Office of budget and program analysis (05-05-0503-A):		
Budget Authority	4,709	1,488
Outlays	4,035	1,275
Rental payments and building operations and maintenance (05-05-0117-A):		
Budget Authority	75,050	23,716
Outlays	67,010	21,175
Advisory committees (05-05-0118-A):		
Budget Authority	1,556	492
Outlays	1,154	365

Office of Governmental and Public Affairs

Office of Public Affairs (05-06-0130-A):		
Budget Authority	8,845	2,795
Outlays	6,091	1,925
Office of the Inspector General		
Office of the Inspector General (05-08-0900-A):		
Budget Authority	53,927	17,041
Outlays	49,389	15,607
Office of the General Counsel		
Office of the General Counsel (05-10-2300-A):		
Budget Authority	22,416	7,083
Outlays	19,823	6,264
Agricultural Research Service		
Agricultural Research Service (05-18-1400-A):		
Budget Authority	610,318	192,860
401(C) Authority—Off. Coll.	3,600	1,138
Outlays	475,376	150,219
Buildings and facilities (05-18-1401-A):		
Budget Authority	11,123	3,515
Outlays	2,213	699
Cooperative State Research Service		
Cooperative State Research Service (05-24-1500-A):		
Budget Authority	398,847	126,036
401(C) Authority	2,850	901
Outlays	224,824	71,044
Extension Service		
Extension Service (05-27-0502-A):		
Budget Authority	384,679	121,559
401(C) Authority—Off. Coll.	245	77
Outlays	341,840	108,021
National Agricultural Library		
National Agricultural Library (05-30-0300-A):		
Budget Authority	15,288	4,831
Outlays	11,496	3,633

Table 12.—Differences Between OMB and CBO Sequesterable Resources by Resource Type

(In millions of dollars)

DEFENSE	
Budget authority subject to across-the-board reductions:	
CBO estimate.....	232,270
Difference:	
Procurement.....	-603
Operation and maintenance.....	413
Research, development, test, and evaluation.....	142
Other.....	59
Total, difference.....	11
OMB estimate.....	232,281
401(c) authority:	
CBO and OMB estimate.....	21
Unobligated balances—defense:	
CBO estimate.....	38,581
Difference:	
Procurement.....	602
Atomic energy defense activities.....	-500
Research, development, test, and evaluation.....	383
Military construction.....	164
Family housing.....	64
Total, difference.....	714
OMB estimate.....	39,295
NONDEFENSE	
Budget authority subject to across-the-board reductions:	
CBO estimate.....	188,076
Difference:	
Federal buildings fund.....	1,699
Uranium supply and enrichment activities ¹	-1,469
Clean coal technology ¹	-956
Conservation reserve program.....	455
Family support payments to States ¹	-419
Disaster loan fund.....	375
Payments to States for family support activities.....	350
Public broadcasting fund ¹	-299
Housing assistance.....	-270
FMS interest buydown.....	-270
Unanticipated needs for natural disasters.....	-207
Departmental administration, Department of Energy ¹	-160
SPR petroleum ¹	-136
Veterans readjustment benefits.....	-115
Other.....	-757
Total, difference.....	-2,180
OMB estimate.....	185,896
Budget authority—automatic spending increases:	
CBO and OMB estimate.....	69
Budget authority—special rules:	
CBO estimate.....	267
Difference.....	-9
OMB estimate.....	258

G-R-H Sequester Amounts—Continued

(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
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Executive Residence at the White House

Operating expenses (03-20-0210-A):

Budget Authority.....

401(C) Authority—Off. Coll.....

Outlays.....

Official Residence of the Vice President

Operating expenses (03-21-0211-A):

Budget Authority.....

Outlays.....

Special Assistance to the President

Salaries and expenses (03-22-1454-A):

Budget Authority.....

Outlays.....

Council of Economic Advisers

Salaries and expenses (03-28-1900-A):

Budget Authority.....

Outlays.....

Council/Office on Environmental Quality

Council on Environmental Quality and Office of Environmental Quality (03-31-1453-A):

Budget Authority.....

Outlays.....

Office of Policy Development

Salaries and expenses (03-35-2200-A):

Budget Authority.....

Outlays.....

National Security Council

Salaries and expenses (03-38-2000-A):

Budget Authority.....

Outlays.....

National Space Council

Salaries and expenses (03-39-0020-A):

Budget Authority.....

Outlays.....

National Critical Materials Council

Salaries and expenses (03-41-0111-A):

Budget Authority.....

Outlays.....

Office of Administration

G-R-H Sequester Amounts—Continued	
(In thousands of dollars)	
Account Title	Sequester Base
Office of the United States Trade Representative	
Salaries and expenses (03-50-0400-A):	
Budget Authority.....	18,517
Outlays.....	5,851
401(C) Authority.....	5,211
Total, Executive Office of the President:	
Budget Authority.....	298,073
401(C) Authority—Off. Coll.....	540
Outlays.....	208,965
Funds Appropriated to the President	
Unanticipated Needs	
Unanticipated needs (04-06-0037-A):	
Budget Authority.....	1,042
Outlays.....	1,000
Investment in Management Improvement	
Investment in Management Improvement (04-08-0061-A):	
Budget Authority.....	521
Outlays.....	391
International Security Assistance	
Foreign Military Financing (04-09-1082-A):	
Budget Authority.....	5,030,402
Direct Loan Limitation.....	421,232
Outlays.....	1,766,970
Economic support fund (04-09-1037-A):	
Budget Authority.....	4,132,559
Outlays.....	2,085,633
International military education and training (04-09-1081-A):	
Budget Authority.....	49,178
Outlays.....	24,589
Peacekeeping operations (04-09-1032-A):	
Budget Authority.....	34,149
Outlays.....	23,563
Multilateral Assistance	
Contribution to the International Bank for Reconstruction and Development (04-12-0077-A):	
Budget Authority.....	51,877
Outlays.....	16,393
Contribution to the International Development Association (04-12-0073-A):	
Budget Authority.....	1,001,207
Outlays.....	147,564
Contribution to the International Finance Corporation (04-12-0078-A):	
Budget Authority.....	77,740
Contribution to the Inter-American Development Bank (04-12-0072-A):	
Budget Authority.....	98,920
Outlays.....	31,259
Contribution to the Asian Development Bank (04-12-0076-A):	
Budget Authority.....	182,322
Contribution to the African Development Fund (04-12-0079-A):	
Budget Authority.....	108,940
Contribution to the African Development Bank (04-12-0082-A):	
Budget Authority.....	9,892
Outlays.....	3,126
International organizations and programs (04-12-1005-A):	
Budget Authority.....	285,651
Outlays.....	214,239
Agency for International Development	
Functional development assistance program (04-14-1021-A):	
Budget Authority.....	1,310,000
Outlays.....	102,966
Development fund for Africa (04-14-1014-A):	
Budget Authority.....	601,484
Outlays.....	48,119

G-R-H Sequester Amounts—Continued

(In thousands of dollars)

Account Title	Sequester Base	Sequester Amount
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Special assistance initiative (04-14-1042-A):

Budget Authority.....

Outlays.....

American schools and hospitals abroad (04-14-1013-A):

Budget Authority.....

Outlays.....

International disaster assistance (04-14-1035-A):

Budget Authority.....

Outlays.....

Operating expenses, Agency for International Development (04-14-1000-A):

Budget Authority.....

Outlays.....

Operating expenses of the AID Office of Inspector General (04-14-1007-A):

Budget Authority.....

Outlays.....

Housing and other credit guaranty programs (04-14-4340-A):

401(C) Authority—Off. Coll.....

Guaranteed Loan Limitation.....

Outlays.....

Private sector revolving fund (04-14-4341-A):

Budget Authority.....

Direct Loan Limitation.....

Guaranteed Loan Limitation.....

Trade and Development Program

Trade and development program (04-16-1001-A):

Budget Authority.....

Outlays.....

Peace Corps

Peace Corps (04-18-0100-A):

Budget Authority.....

Outlays.....

Overseas Private Investment Corporation

Overseas Private Investment Corporation (04-20-4030-A):

401(C) Authority—Off. Coll.....

Direct Loan Limitation.....

Guaranteed Loan Limitation.....

Outlays.....

Inter-American Foundation

Inter-American Foundation (04-22-4031-A):

Budget Authority.....

401(C) Authority—Off. Coll.....

Outlays.....

African Development Foundation

African Development Foundation (04-24-0700-A):

Budget Authority.....

Outlays.....

Table 12.—Differences Between OMB and CBO Sequesterable Resources by Resource Type—Continued

(In millions of dollars)

Account Title	Sequester Base Amount	Sequester Amount
Legislative Branch		
Senate		
Senate items (01-05-0110-A):		
Budget Authority	384,136	121,387
Outlays	368,386	116,410
Congressional use of foreign currency, Senate (01-05-0188-A):		
401(C) Authority	1,575	498
Outlays	1,575	498
House of Representatives		
Mileage of Members (01-10-0208-A):		
Budget Authority	219	69
Outlays	110	35
Salaries and expenses (01-10-0400-A):		
Budget Authority	549,080	173,509
Outlays	526,976	166,524
Congressional use of foreign currency, House of Representative (01-10-0488-A):		
401(C) Authority	3,360	1,062
Outlays	3,360	1,062
Joint Items		
Joint Economic Committee (01-12-0181-A):		
Budget Authority	3,597	1,137
Outlays	3,417	1,080
Joint Committee on Printing (01-12-0180-A):		
Budget Authority	1,222	386
Outlays	1,120	354
Special Services Office (01-12-0190-A):		
Budget Authority	246	78
Outlays	246	78
Joint Committee on Taxation (01-12-0460-A):		
Budget Authority	4,468	1,412
Outlays	4,021	1,271
Office of the Attending Physician (01-12-0425-A):		
Budget Authority	1,457	460
Outlays	1,457	460
General expenses, Capitol police (01-12-0476-A):		
Budget Authority	1,955	618
Outlays	1,703	538
Capitol Police Board (01-12-0474-A):		
Budget Authority	57,389	18,135
Outlays	55,667	17,591
Official mail costs (01-12-0825-A):		
Budget Authority	103,176	32,604
Outlays	103,176	32,604
Capitol Guide Service (01-12-0170-A):		
Budget Authority	1,375	434
Outlays	1,273	402
Statements of appropriations (01-12-0499-A):		
Budget Authority	21	7
Congressional Budget Office		
Salaries and expenses (01-14-0100-A):		
Budget Authority	20,027	6,329
Outlays	18,024	5,696
Architect of the Capitol		
Botanic Garden, Salaries and Expenses (01-15-0100-A):		
Budget Authority	129,754	41,002
401(C) Authority—Off. Coll.	120	38
Outlays	97,825	30,913
Library of Congress		
Salaries and expenses (01-25-0101-A):		
Budget Authority	161,912	51,164
401(C) Authority—Off. Coll.	5,888	1,861
Outlays	140,785	44,488
Copyright Office, Salaries and expenses (01-25-0102-A):		
Budget Authority	12,509	3,953
401(C) Authority—Off. Coll.	14,509	4,585

G-R-H Sequester Amounts—Continued

(In thousands of dollars)

Account Title	Sequester Base Amount	Sequester Amount
Outlays		
Congressional Research Service: Salaries and expenses (01-25-0127-A):	25,129	7,941
Budget Authority	47,712	15,077
Outlays	43,276	13,675
Books for the blind and physically handicapped: Salaries and expenses (01-25-0141-A):		
Budget Authority	38,675	12,221
Outlays	14,425	4,558
Furniture and furnishings (01-25-0146-A):		
Budget Authority	2,887	849
Outlays	1,993	630
Gift and trust fund accounts (01-25-9871-A):		
Obligation limitation	328	104
Government Printing Office		
Congressional printing and binding (01-30-0203-A):		
Budget Authority	77,263	24,415
Outlays	64,128	20,264
Office of Superintendent of Documents: Salaries and expenses (01-30-0201-A):		
Budget Authority	17,007	5,374
Outlays	10,714	3,366
Government Printing Office revolving fund (01-30-4505-A):		
Obligation limitation	38,383	12,129
General Accounting Office		
Salaries and expenses (01-35-0107-A):		
Budget Authority	378,654	119,655
Outlays	331,100	104,628
United States Tax Court		
Salaries and expenses (01-40-0100-A):		
Budget Authority	29,296	9,258
Outlays	25,458	8,045
Tax Court independent counsel, U.S. Tax Court (01-40-5023-A):		
401(C) Authority	10	3
Outlays	10	3
Legislative Branch Boards and Commissions		
National Commission of Acquired Immune Deficiency Syndrome (01-45-1300-A):		
Budget Authority	1,039	328
Outlays	831	263
Commission on Security and Cooperation in Europe: Salaries and expenses (01-45-0110-A):		
Budget Authority	874	276
Outlays	818	258
National Commission on Children (01-45-1050-A):		
Budget Authority	1,384	437
Outlays	1,312	415
International conferences and contingencies: House, Senate exp (01-45-0500-A):		
401(C) Authority	340	107
Outlays	340	107
Copyright Royalty Tribunal: Salaries and expenses (01-45-0310-A):		
Budget Authority	104	33
Outlays	58	18
Biomedical Ethics: Salaries and expenses (01-45-0400-A):		
Budget Authority	606	191
Outlays	606	191
U.S. Bipartisan Commission on Comprehensive Health Care (01-45-1100-A):		
Budget Authority	486	154
Outlays	486	154
Office of Technology Assessment		
Salaries and expenses (01-50-0700-A):		
Budget Authority	19,140	6,048
Outlays	15,101	4,772

G-R-H Sequester Amounts

(In thousands of dollars)

Account Title	Sequester Base Amount	Sequester Amount
Legislative Branch		
Senate		
Senate items (01-05-0110-A):		
Budget Authority	384,136	121,387
Outlays	368,386	116,410
Congressional use of foreign currency, Senate (01-05-0188-A):		
401(C) Authority	1,575	498
Outlays	1,575	498
House of Representatives		
Mileage of Members (01-10-0208-A):		
Budget Authority	219	69
Outlays	110	35
Salaries and expenses (01-10-0400-A):		
Budget Authority	549,080	173,509
Outlays	526,976	166,524
Congressional use of foreign currency, House of Representative (01-10-0488-A):		
401(C) Authority	3,360	1,062
Outlays	3,360	1,062
Joint Items		
Joint Economic Committee (01-12-0181-A):		
Budget Authority	3,597	1,137
Outlays	3,417	1,080
Joint Committee on Printing (01-12-0180-A):		
Budget Authority	1,222	386
Outlays	1,120	354
Special Services Office (01-12-0190-A):		
Budget Authority	246	78
Outlays	246	78
Joint Committee on Taxation (01-12-0460-A):		
Budget Authority	4,468	1,412
Outlays	4,021	1,271
Office of the Attending Physician (01-12-0425-A):		
Budget Authority	1,457	460
Outlays	1,457	460
General expenses, Capitol police (01-12-0476-A):		
Budget Authority	1,955	618
Outlays	1,703	538
Capitol Police Board (01-12-0474-A):		
Budget Authority	57,389	18,135
Outlays	55,667	17,591
Official mail costs (01-12-0825-A):		
Budget Authority	103,176	32,604
Outlays	103,176	32,604
Capitol Guide Service (01-12-0170-A):		
Budget Authority	1,375	434
Outlays	1,273	402
Statements of appropriations (01-12-0499-A):		
Budget Authority	21	7
Congressional Budget Office		
Salaries and expenses (01-14-0100-A):		
Budget Authority	20,027	6,329
Outlays	18,024	5,696
Architect of the Capitol		
Botanic Garden, Salaries and Expenses (01-15-0100-A):		
Budget Authority	129,754	41,002
401(C) Authority—Off. Coll.	120	38
Outlays	97,825	30,913
Library of Congress		
Salaries and expenses (01-25-0101-A):		
Budget Authority	161,912	51,164
401(C) Authority—Off. Coll.	5,888	1,861
Outlays	140,785	44,488
Copyright Office, Salaries and expenses (01-25-0102-A):		
Budget Authority	12,509	3,953
401(C) Authority—Off. Coll.	14,509	4,585

Table 12.—Differences Between OMB and CBO Sequesterable Resources
by Resource Type—Continued
(in millions of dollars)

Direct loan floor:	
CBO estimate.....	2,050
Rural electrification and telephone revolving fund.....	4
OMB estimate	2,054
Guaranteed loan limitation:	
CBO estimate.....	188,533
Difference:	
Federal ship financing fund, fishing vessels.....	376
Commodity Credit Corporation fund	200
FHA insurance	148
Guarantees of mortgage-backed securities.....	82
Other	70
Total, difference.....	875
OMB estimate	189,408

¹ All or a substantial portion of the difference is the result of different classification by resource type.
² CBO calls this resource group "Obligation limitation—special rules."

APPENDIX: OCTOBER SEQUESTERABLE BASELINE AND
REDUCTIONS
BY AGENCY AND BUDGET ACCOUNT
(Fiscal year 1991; in thousands of dollars)

Percentages Used:
Nondefense, 31.6 percent
Defense, 34.5 percent

Table 13.—Detailed List of Sequesterable Resources for Which OMB and CBO Estimates Differ by More Than \$5 Million
(in thousands of dollars)

Account Title	Resource	OMB Base	CBO Base	Difference	Explanation
Legislative Branch					
Senate					
Senate items (01–05–0110–801–A)	Budget Authority	384,136	392,500	8,364	1
House of Representatives					
Salaries and expenses (01–10–0400–801–A)	Budget Authority	549,080	561,223	12,143	1
Government Printing Office					
Office of Superintendent of Documents: Salaries and expenses (01–30–0201–808–A)	Budget Authority	17,007	25,347	8,340	1,2
Government Printing Office revolving fund (01–30–4505–808–A)	401(C) Authority—Off. Coll.	0	38,383	38,383	4
	Obligation limitation	38,383	0	–38,383	4
General Accounting Office					
Salaries and expenses (01–35–0107–801–A)	Budget Authority	378,654	386,138	7,484	1
The Judiciary					
Courts of Appeals, District Courts and Other Services					
Salaries and expenses (02–25–0920–752–A)	Budget Authority	1,309,843	1,330,266	20,423	1
Registry administration (02–25–5101–752–A)	401(C) Authority	3,500	12,000	8,500	5
Funds Appropriated to the President					
Unanticipated Needs					
Unanticipated needs for natural disasters (04–06–0033–453–A)	Budget Authority	0	206,759	206,759	2
International Security Assistance					
Foreign Military Financing (04–09–1082–152–A)	Budget Authority	5,030,402	5,021,232	–9,170	1
Economic support fund (04–09–1037–152–A)	Budget Authority	4,132,559	4,086,628	–45,931	1,2
Agency for International Development					
Functional development assistance program (04–14–1021–151–A)	Budget Authority	1,310,000	1,290,454	–19,546	1,2,12
Development fund for Africa (04–14–1014–151–A)	Budget Authority	601,484	594,696	–6,788	1,12
Operating expenses, Agency for International Development (04–14–1000–151–A)	Budget Authority	447,703	454,928	7,225	1,2
Military Sales Programs					
FMS interest buydown (04–37–8882–152–A)	Budget Authority	0	270,000	270,000	12
Department of Agriculture					
Agricultural Research Service					
Agricultural Research Service (05–18–1400–352–A)	Budget Authority	610,318	618,535	8,217	1
Foreign Assistance Programs					
Expenses, PL 480, foreign assistance programs, Agriculture (05–57–2274–151–A)	Obligation limitation	1,587,468	1,582,424	–5,044	1
Agricultural Stabilization and Conservation Service					
Salaries and expenses (05–60–3300–351–A)	Budget Authority	11,575	110	–11,465	3
	401(C) Authority—Off. Coll.	23,986	51,998	28,012	5
	Budget Authority	1,878,038	1,423,443	–454,595	5
Conservation reserve program (05–60–3319–302–A)					
Commodity Credit Corporation					
Commodity Credit Corporation Fund (05–66–4336–351–A)	401(C) Authority	4,548,549	4,795,000	246,451	5
	401(C) Authority	5,712,394	6,440,000	727,606	5
	Direct Loan Limitation	10,000,000	7,919,000	–2,081,000	5
	Guaranteed Loan Limitation	5,500,000	5,300,000	–200,000	5
Rural Electrification Administration					
Reimbursement to the Rural elec. and tel. revol. fund for int. (05–72–3101–271–A)	Budget Authority	277,700	250,387	–27,313	5
Rural electrification and telephone revolving fund (05–72–4230–271–A)	Direct Loan Limitation	3,488,538	3,478,504	–10,034	1
Farmers Home Administration					
Salaries and expenses (05–75–2001–452–A)	Budget Authority	441,096	449,528	8,432	1
Agricultural Credit Insurance Fund (05–75–4140–351–A)	401(C) Authority—Off. Coll.	162,151	192,000	29,849	5
	Direct Loan Limitation	1,671,400	1,654,744	–16,656	1,12
	Guaranteed Loan Limitation	3,158,287	3,158,214	–6,073	1
Rural Housing Insurance Fund (Appr.) (05–75–4141–371–A)	401(C) Authority—Off. Coll.	86,052	48,630	–37,422	5
Rural development loan fund (05–75–4233–452–A)	Budget Authority	17,470	0	–17,470	6
Soil Conservation Service					
Conservation operations (05–78–1000–302–A)	Budget Authority	496,885	506,861	9,976	1
Animal and Plant Health Inspection Service					
Salaries and expenses (05–79–1600–352–A)	Budget Authority	370,260	375,331	5,071	1
	401(C) Authority—Off. Coll.	29,580	23,112	–6,468	5

Table 13.—Detailed List of Sequesterable Resources for Which OMB and CBO Estimates Differ by More Than \$5 Million—Continued

(In thousands of dollars)

Account Title	Resource	OMB Base	CBO Base	Difference	Explanation
Food Safety and Inspection Service					
Salaries and expenses (05–83–3700–554–A)	Budget Authority	438,473	447,790	9,317	1
	401(C) Authority—Off. Coll.	38,586	54,000	15,414	5
Food and Nutrition Service					
Food stamp program (05–84–3505–605–A)	Budget Authority	0	53,332	53,332	5
Child nutrition programs (05–84–3539–605–A)	Budget Authority	4,135	9,944	5,809	8
Forest Service					
National forest system (05–96–1106–302–A)	Budget Authority	1,197,458	1,218,035	20,577	1.5
Forest service fire fighting (05–96–1111–302–A)	Budget Authority	845,311	854,200	8,889	1
Forest Service permanent appropriations (05–96–9922–302–A)	Budget Authority	0	9,062	9,062	2
Forest Service permanent appropriations (05–96–9921–806–A)	401(C) Authority	377,425	338,955	–38,470	5
Department of Commerce					
Bureau of the Census					
Periodic censuses and programs (06–07–0450–376–A)	Budget Authority	1,483,860	1,509,059	25,199	1
National Oceanic and Atmospheric Administration					
Operations, research, and facilities (06–48–1450–306–A)	Budget Authority	1,330,812	1,341,897	11,085	1
Federal ship financing fund, fishing vessels (06–48–4417–376–A)	401(C) Authority	5,400	0	–5,400	4
	401(C) Authority—Off. Coll.	0	6,550	6,550	4
	Guaranteed Loan Limitation	480,000	104,000	–376,000	5

Department of Defense—Military

Operation and Maintenance

Operation and maintenance, Army (07–10–2020–051–A)	Budget Authority	24,299,220	23,781,123	–518,097	1.2
Operation and maintenance, Navy (07–10–1804–051–A)	Budget Authority	26,001,039	25,664,597	–336,442	1.2
Operation and maintenance, Marine Corps (07–10–1106–051–A)	Budget Authority	1,881,853	1,887,435	5,582	1.2
Operation and maintenance, Air Force (07–10–3400–051–A)	Budget Authority	23,018,829	22,363,719	–655,110	1.2
Operation and maintenance, Defense agencies (07–10–0100–051–A)	Budget Authority	8,130,714	8,151,698	20,984	1.2
Operation and maintenance, Air Force Reserve (07–10–3740–051–A)	Budget Authority	1,049,265	1,054,611	5,346	1.2
Operation and maintenance, Air National Guard (07–10–3840–051–A)	Budget Authority	2,107,675	2,113,076	5,401	1.2
Drug interdiction, Defense (07–10–0105–051–A)	Budget Authority	30,645	462,006	431,361	2
Environmental restoration, Defense (07–10–0810–051–A)	Budget Authority	0	625,144	625,144	2

Procurement

Aircraft procurement, Army (07–15–2031–051–A)	Budget Authority	3,844,510	3,864,099	19,589	1.2
	Unobligated Balances—Defense	702,737	686,737	–16,000	10
Missile procurement, Army (07–15–2032–051–A)	Budget Authority	2,587,403	2,547,492	–39,911	1.2
	Unobligated Balances—Defense	651,960	601,260	–50,700	10
Procurement of weapons and tracked combat vehicles, Army (07–15–2033–051–A)	Budget Authority	2,535,390	2,685,172	149,782	1.2
	Unobligated Balances—Defense	1,097,334	1,091,834	–5,500	10
Procurement of ammunition, Army (07–15–2034–051–A)	Budget Authority	2,017,357	2,031,997	14,640	1.2
	Unobligated Balances—Defense	246,335	201,135	–45,200	10
Other procurement, Army (07–15–2035–051–A)	Budget Authority	3,615,676	3,655,117	39,441	1.2
	Unobligated Balances—Defense	1,166,611	1,062,611	–104,000	10
Aircraft procurement, Navy (07–15–1506–051–A)	Budget Authority	9,543,052	9,638,849	95,797	1.2
	Unobligated Balances—Defense	1,861,479	1,831,479	–30,000	10
Weapons procurement, Navy (07–15–1507–051–A)	Budget Authority	5,528,022	5,519,634	–8,388	1.2
	Unobligated Balances—Defense	1,471,075	1,353,274	–117,801	10
Shipbuilding and conversion, Navy (07–15–1611–051–A)	Budget Authority	11,682,207	11,972,304	290,097	1.2
Other procurement, Navy (07–15–1810–051–A)	Budget Authority	7,881,196	8,071,773	190,577	1.2
	Unobligated Balances—Defense	3,819,915	3,801,415	–18,500	10
Procurement, Marine Corps (07–15–1109–051–A)	Budget Authority	1,210,839	1,102,383	–108,456	1.2
	Unobligated Balances—Defense	222,381	207,181	–15,200	10
Aircraft procurement, Air Force (07–15–3010–051–A)	Budget Authority	16,037,703	16,096,413	58,710	1.2
	Unobligated Balances—Defense	7,132,558	7,067,694	–64,864	10
Missile procurement, Air Force (07–15–3020–051–A)	Budget Authority	6,584,129	6,854,195	270,066	1.2
	Unobligated Balances—Defense	2,538,951	2,408,909	–130,042	10
Other procurement, Air Force (07–15–3080–051–A)	Budget Authority	8,839,294	8,591,464	–247,830	1.2
	Unobligated Balances—Defense	2,093,509	2,029,804	–63,705	10
Procurement, Defense agencies (07–15–0300–051–A)	Budget Authority	1,387,518	1,310,934	–76,584	1.2
National Guard and Reserve Equipment (07–15–0350–051–A)	Budget Authority	1,030,246	986,669	–43,577	1.2

Research, Development, Test, and Evaluation

Research, development, test, and evaluation, Army (07–20–2040–051–A)	Budget Authority	5,546,445	5,566,710	20,265	1.2
	Unobligated Balances—Defense	351,349	269,349	–82,000	10
Research, development, test, and evaluation, Navy (07–20–1319–051–A)	Budget Authority	9,884,825	9,787,918	–96,907	1.2
	Unobligated Balances—Defense	440,048	414,048	–26,000	10
Research, development, test, and evaluation, Air Force (07–20–3600–051–A)	Budget Authority	14,038,406	13,959,866	–78,540	1.2
	Unobligated Balances—Defense	1,874,192	1,693,934	–180,258	10
Research, development, test, and evaluation, Defense agencies (07–20–0400–051–A)	Budget Authority	8,383,291	8,396,726	13,435	1.2
	Unobligated Balances—Defense	984,669	889,669	–95,000	10

Table 13.—Detailed List of Sequesterable Resources for Which OMB and CBO Estimates Differ by More Than \$5 Million—Continued

(In thousands of dollars)

Account Title	Resource	OMB Base	CBO Base	Difference	Explanation
United States Information Agency					
Salaries and expenses (41–10–0201–154–A)	Budget Authority	661,409	670,265	8,876	1

Explanation:

- 1 Different adjustment factors for increased personnel costs and nonpay inflation.
- 2 Different assumptions about enacted 1990 levels, including transfers and rescissions.
- 3 Different account structure.
- 4 Different resource type classification.
- 5 Different assumptions about resource levels under current law for mandatory programs.
- 6 OMB classifies as sequesterable; CBO as exempt.
- 7 OMB classifies as exempt; CBO as sequesterable.
- 8 OMB error.
- 9 CBO error.
- 10 Technical estimating differences for unobligated balances due to rescissions.
- 11 Different assumptions regarding behavioral response of providers to payment reductions.
- 12 Different estimating techniques.
- 13 Different scoring of previously authorized lease-purchase projects.

Table 13.—Detailed List of Sequesterable Resources for Which OMB and CBO Estimates Differ by More Than \$5 Million—Continued

(In thousands of dollars)					
Account Title	Resource	OMB Base	CBO Base	Difference	Explanation
Department of Veterans Affairs					
Veterans Benefits Administration					
Burial benefits and miscellaneous assistance (29-10-0155-701-A)	Budget Authority	143,100	128,900	-14,200	5
Readjustment benefits (29-10-0137-702-A)	Budget Authority	238,386	353,000	114,614	5
Veterans Health Services and Research Administration					
Medical care (29-20-0160-703-A)	Budget Authority	906,352	990,750	84,398	1,12
Departmental Administration					
General operating expenses (29-30-0151-705-A)	Budget Authority	845,317	860,805	15,488	1
Environmental Protection Agency					
Salaries and expenses (20-00-0200-304-A)	Budget Authority	899,888	914,669	14,781	1
General Services Administration					
Real Property Activities					
Federal buildings fund (23-05-4542-804-A)	Budget Authority	1,725,617	26,229	-1,699,388	13
National Aeronautics and Space Administration					
Research and development (Space flight) (26-00-0108-253-A)	Budget Authority	2,409,104	2,400,997	-8,107	1
Research and development (Space science, applications, etc) (26-00-0108-254-A)	Budget Authority	2,537,687	2,520,128	-17,559	1
Space Flight, Control, and Data Comm. (space flight) (26-00-0105-253-A)	Budget Authority	3,910,106	3,630,121	-279,985	1,2
Space Flight, Control, and Data Comm. (supporting act) (26-00-0105-255-A)	Budget Authority	822,825	1,014,224	191,399	1,2
Construction of facilities (Space flight) (26-00-0107-253-A)	Budget Authority	100,845	189,051	88,206	1,2
Research and program management (Space flight) (26-00-0103-253-A)	Budget Authority	949,742	964,572	14,830	1
Research and program management (Space science, applications, etc) (26-00-0103-254-A)	Budget Authority	670,380	680,736	10,356	1
Research and program management (Air transportation) (26-00-0103-402-A)	Budget Authority	411,304	418,516	7,212	1
Small Business Administration					
Salaries and expenses (28-00-0100-376-A)	Budget Authority	393,043	363,337	-29,706	1,2
Business loan and investment fund (28-00-4154-376-A)	Budget Authority	77,629	0	-77,629	6
Disaster loan fund (28-00-4153-453-A)	Guaranteed Loan Limitation	4,684,061	4,675,436	-8,625	1
Surety bond guarantees revolving fund (28-00-4156-376-A)	Budget Authority	375,000	0	-375,000	12
	Direct Loan Limitation	350,000	411,000	61,000	12
	Guaranteed Loan Limitation	1,532,400	1,500,000	-32,400	1
Other Independent Agencies					
Corporation for Public Broadcasting					
Public broadcasting fund (32-90-0151-503-A)	Budget Authority	0	298,870	298,870	4
	401(C) Authority	298,870	0	-298,870	4
District of Columbia					
Federal payment to the District of Columbia (33-40-1700-806-A)	Budget Authority	448,581	579,848	131,267	3
	401(C) Authority	20,300	0	-20,300	3
Federal payment to D.C. (water and sewer services) (33-40-1700-806-B)	Budget Authority	9,050	0	-9,050	3
Federal payment to D.C. (retirement funds) (33-40-1700-806-C)	Budget Authority	54,257	0	-54,257	3
Federal payment to D.C. (St. Elizabeth's Hospital) (33-40-1700-806-D)	Budget Authority	15,630	0	-15,630	3
Federal payment to D.C. (inaugural Expenses) (33-40-1700-806-E)	Budget Authority	33,106	0	-33,106	3
Export-Import Bank of the United States					
Export-Import Bank of the United States (33-90-4027-155-A)	Guaranteed Loan Limitation	10,619,400	10,599,064	-20,336	1
Federal Emergency Management Agency					
Disaster relief (34-50-0104-453-A)	Budget Authority	1,303,490	1,298,388	-5,102	1,2
Railroad Retirement Board					
Supplemental Annuity Pension Fund (40-10-8012-601-A)	401(C) Authority	111,820	0	-111,820	6
Tennessee Valley Authority					
TVA fund (Energy supply) (40-80-4110-271-A)	Obligation limitation	58,954	0	-58,954	6

Table 13.—Detailed List of Sequesterable Resources for Which OMB and CBO Estimates Differ by More Than \$5 Million—Continued

(In thousands of dollars)					
Account Title	Resource	OMB Base	CBO Base	Difference	Explanation
Military Construction					
Military construction, Army (07-25-2050-051-A)	Unobligated Balances—Defense	338,004	246,758	-91,246	10
Military construction, Navy (07-25-1205-051-A)	Unobligated Balances—Defense	420,192	399,542	-20,650	10
Military construction, Air Force (07-25-3300-051-A)	Budget Authority	1,223,616	1,218,148	-5,468	1,2
Military construction, Defense agencies (07-25-0500-051-A)	Unobligated Balances—Defense	558,550	521,050	-37,500	10
North Atlantic Treaty Organization infrastructure (07-25-0804-051-A)	Unobligated Balances—Defense	353,696	347,886	-5,810	10
Military construction, Army National Guard (07-25-2085-051-A)	Unobligated Balances—Defense	19,231	0	-19,231	10
	Unobligated Balances—Defense	93,727	100,727	7,000	10
Family Housing					
Family housing, Army (07-30-0702-051-A)	Unobligated Balances—Defense	92,975	86,640	-6,335	10
Family housing, Air Force (07-30-0704-051-A)	Unobligated Balances—Defense	57,950	0	-57,950	10
Revolving and Management Funds					
Army industrial fund (07-40-4992-051-A)	Budget Authority	31,052	0	-31,052	2
Department of Defense—Civil					
Corps of Engineers—Civil					
Operation and maintenance, general (08-10-3123-301-A)	Budget Authority	1,267,640	1,258,809	-8,831	1,12
Rivers and harbors contributed funds (08-10-8862-301-A)	401(C) Authority	205,500	145,600	-59,900	5
Harbor maintenance trust fund (08-10-8863-301-A)	Budget Authority	168,461	192,500	24,039	12
Department of Education					
Office of Elementary and Secondary Education					
Compensatory education for the disadvantaged (8-10-0900-501-A)	Budget Authority	5,593,832	5,583,095	-10,737	1
Office of Special Education and Rehabilitative Svcs.					
Special institutions for the handicapped (18-20-0604-501-A)	Budget Authority	0	5,890	5,890	1,3
Special institutions for the handicapped (Gallaudet) (18-20-0604-501-C)	Budget Authority	21,629	0	-21,629	1,3
Special institutions for the handicapped (APHB) (18-20-0604-501-D)	Budget Authority	5,901	0	-5,901	1,3
Special institutions for the handicapped (18-20-0604-502-A)	Budget Authority	0	107,862	107,862	1,3
Special institutions for the handicapped (NTID) (18-20-0604-502-B)	Budget Authority	37,585	0	-37,585	1,3
Special institutions for the handicapped (Gallaudet) (18-20-0604-502-C)	Budget Authority	48,854	0	-48,854	1,3
Office of Postsecondary Education					
Student financial assistance (18-40-0200-502-A)	Budget Authority	6,340,325	6,325,536	-14,789	1
Departmental Management					
Salaries and expenses (Elementary, secondary and vocational ed.) (18-80-0800-501-A)	Budget Authority	22,466	0	-22,466	1,3
Salaries and expenses (Higher education) (18-80-0800-502-A)	Budget Authority	99,690	0	-99,690	1,3
Salaries and expenses (Research and general education aids) (18-80-0800-503-A)	Budget Authority	139,772	289,030	149,258	1,3
Salaries and expenses (Social services) (18-80-0800-506-A)	Budget Authority	22,739	0	-22,739	1,3
Department of Energy					
Atomic Energy Defense Activities					
Atomic energy defense activities (19-10-0220-053-A)	Budget Authority	10,050,633	10,035,886	-14,747	1
	Unobligated Balances—Defense	0	500,000	500,000	10
Energy Programs					
Uranium supply and enrichment activities (19-20-0226-271-A)	Budget Authority	0	1,469,091	1,469,091	4,12
	401(C) Authority—Off. Coll.	1,287,700	0	-1,287,700	4,12
Energy conservation (Energy conservation) (19-20-0215-272-A)	Budget Authority	383,518	425,533	42,015	7,12
SPR petroleum (19-20-0233-274-A)	Budget Authority	224,310	360,787	136,477	4,12
Clean Coal Technology (19-20-0235-271-A)	401(C) Authority	184,818	90,000	-94,818	4,5,12
Isotope production and distribution fund (19-20-4180-271-A)	Budget Authority	0	956,000	956,000	4
	401(C) Authority	956,000	0	-956,000	4
	401(C) Authority—Off. Coll.	16,243	0	-16,243	5
Departmental Administration					
Departmental administration (Energy information, policy, and reg.) (19-60-0228-276-A)	Budget Authority	208,375	368,515	160,140	1,4
	401(C) Authority—Off. Coll.	183,413	0	-183,413	1,4
Department of Health and Human Services					
Food and Drug Administration					
Program expenses (09-10-0600-554-A)	Budget Authority	615,317	627,039	11,722	1
Health Care Financing Administration					
Federal hospital insurance trust fund (09-38-8005-571-A)	Obligation limitation	1,037,804	1,021,734	-16,070	1
FHI 2% split (G-R-H) (09-38-8005-571-S)	Obligat. limit.—Spec. Rules	1,190,000	1,203,000	13,000	5
Federal supplementary medical insurance trust fund (09-38-8004-571-A)	Obligation limitation	1,469,858	1,360,037	-1,09,821	1
FSMI 2% split (G-R-H) (09-38-8004-571-S)	Obligat. limit.—Spec. Rules	408,000	554,000	146,000	11

Table 13.—Detailed List of Sequesterable Resources for Which OMB and CBO Estimates Differ by More Than \$5 Million—Continued

(In thousands of dollars)

Account Title	Resource	OMB Base	CBO Base	Difference	Explanation
Social Security Administration					
Supplemental security income program (09-60-0406-609-A)	Budget Authority	827,094	849,576	22,482	1
Family Support Administration					
Family support payment to States (CSE) (09-70-1501-609-B)	Budget Authority	1,166,599	1,586,000	419,401	4.5
Community services block grant (09-70-1504-506-A)	401(C) Authority	362,401	0	-362,401	4.5
Payments to States for Family Support Activities (09-70-1509-504-A)	Budget Authority	397,068	412,372	15,304	1.4
Payments to States for Family Support Activities (09-70-1509-609-A)	401(C) Authority	8,041	0	-8,041	1.4
Interim assistance to States for legalization (09-70-1506-506-A)	Budget Authority	0	20,800	20,800	3
	Budget Authority	1,000,000	650,000	-350,000	5
	401(C) Authority	840,000	910,000	70,000	5
Health and Human Services Social Security					
Social Security					
Federal old-age and survivors insurance trust fund (16-05-8006-651-A)	Obligation limitation	1,686,297	1,727,520	41,223	1
Federal disability insurance trust fund (16-05-8007-651-A)	Obligation limitation	537,763	547,169	9,426	1
Department of Housing and Urban Development					
Housing Programs					
Subsidized housing programs (Housing assistance) (25-02-0164-604-A)	Budget Authority	7,528,368	8,921,265	1,392,917	1.3,12
Asst. for the renewal of expiring section 8 subsidy cont. (25-02-0194-604-A)	Budget Authority	1,122,844	0	-1,122,844	1.3,12
FHA Mutual Mortgage and Cooperative Housing Insurance Fund (25-02-4070-371-A)	Guaranteed Loan Limitation	65,345,176	65,272,000	-73,176	1.3,5
FHA general and special risk insurance funds (25-02-4072-371-A)	Guaranteed Loan Limitation	11,593,499	11,519,000	-74,499	1.3
Rental housing assistance fund (25-02-4041-604-A)	401(C) Authority—Off. Coll.	70,000	50,000	-20,000	5
Government National Mortgage Association					
Guarantees of mortgage-backed securities (25-04-4238-371-A)	Guaranteed Loan Limitation	85,063,753	84,982,040	-81,713	5
Community Planning and Development					
Community development grants (25-06-0162-451-A)	Budget Authority	3,014,473	3,043,575	29,102	1
Rehabilitation loan fund (25-06-4036-451-A)	Direct Loan Limitation	87,548	75,000	-12,548	12
Department of the Interior					
Bureau of Land Management					
Management of lands and resources (10-04-1109-302-A)	Budget Authority	454,023	461,466	7,443	1
Oregon and California grant lands (10-04-1116-302-A)	Budget Authority	66,606	99,364	32,758	1.2
Freighting (10-04-1119-302-A)	Budget Authority	276,490	362,069	85,579	1.2
Miscellaneous permanent appropriations (10-04-9921-606-A)	401(C) Authority	142,394	129,539	-12,855	5
Minerals Management Service					
Payments to states from receipts under Mineral Leasing Act (10-06-5003-606-A)	401(C) Authority	531,593	464,770	-66,823	5
Bureau of Reclamation					
Colorado River Dam Fund, Boulder Canyon Project (10-10-5656-301-A)	401(C) Authority	53,335	30,458	-22,877	5
Reclamation trust funds (10-10-8070-301-A)	401(C) Authority	97,195	56,264	-40,931	5
Fish and Wildlife Service					
Construction (10-18-1612-303-A)	Budget Authority	80,336	71,658	-8,678	1
Land acquisition (10-18-5020-303-A)	Budget Authority	96,722	102,990	6,268	1.2
Miscellaneous permanent appropriations (10-18-9923-303-A)	401(C) Authority	134,500	144,200	9,700	5
Sport fish restoration (10-18-8151-303-A)	401(C) Authority	212,400	206,000	-6,400	5
National Park Service					
Operation of the national park system (10-24-1036-303-A)	Budget Authority	799,700	813,346	13,646	1
Construction (10-24-1039-303-A)	Budget Authority	317,429	258,292	-59,137	1
Bureau of Indian Affairs					
Operation of Indian programs (Area and regional development) (10-76-2100-452-A)	Budget Authority	608,673	614,907	6,234	1
Construction (10-76-2301-452-A)	Budget Authority	183,471	167,415	-16,056	1.2
White Earth Settlement Fund (10-76-2204-452-A)	401(C) Authority	6,000	0	-6,000	5
Revolving fund for loans (10-76-4409-452-A)	401(C) Authority—Off. Coll.	10,890	0	-10,890	5
Office of Territorial Affairs					
Administration of territories (10-82-0412-808-A)	Budget Authority	50,849	44,255	-6,594	8
Department of Justice					
Legal Activities					
Salaries and expenses, United States Attorneys (11-05-0322-752-A)	Budget Authority	540,403	549,730	9,327	1
Federal Bureau of Investigation					
Salaries and expenses (11-10-0200-751-A)	Budget Authority	1,754,474	1,783,742	29,268	1

Table 13.—Detailed List of Sequesterable Resources for Which OMB and CBO Estimates Differ by More Than \$5 Million—Continued

(In thousands of dollars)

Account Title	Resource	OMB Base	CBO Base	Difference	Explanation
Drug Enforcement Administration					
Salaries and expenses (11-12-1100-751-A)	Budget Authority	571,551	578,558	7,007	1
Immigration and Naturalization Service					
Salaries and expenses (11-15-1217-751-A)	Budget Authority	877,287	891,864	14,577	1
Immigration user fee (11-15-5087-751-A)	401(C) Authority	125,142	109,200	-15,942	5
Immigration examinations fee (11-15-5086-751-A)	401(C) Authority	157,233	90,000	-67,233	5
Federal Prison System					
Salaries and expenses (11-20-1060-753-A)	Budget Authority	1,175,782	1,194,265	18,483	1
Department of Labor					
Employment and Training Administration					
Training and employment services (12-05-0174-504-A)	Budget Authority	4,093,932	4,087,252	-6,680	1
Federal unemployment benefits and allowances (12-05-0326-603-A)	Budget Authority	198,500	186,000	-12,500	5
Unemployment trust fund (Training and employment) (12-05-8042-504-A)	Obligation limitation	1,134,169	1,142,000	7,831	1
Unemployment trust fund (Unemployment compensation) (12-05-8042-603-A)	401(C) Authority	112,800	0	-112,800	5
	Obligation limitation	1,897,529	1,999,324	101,795	1
Pension Benefit Guaranty Corporation					
Pension Benefit Guaranty Corporation fund (12-12-4204-601-A)	Obligation limitation	44,060	74,652	30,592	7
Employment Standards Administration					
Black lung disability trust fund (12-15-8144-601-A)	Budget Authority	53,349	0	-53,349	4
	Obligation limitation	0	54,019	54,019	4
Department of State					
Administration of Foreign Affairs					
Salaries and expenses (14-05-0113-153-A)	Budget Authority	1,867,228	1,890,185	22,957	1
Other					
Migration and refugee assistance (14-25-1143-151-A)	Budget Authority	446,460	461,351	14,891	2
United States emergency refugee and migration assistance fund (14-25-0040-151-A)	Budget Authority	88,320	77,776	-10,544	2
Department of Transportation					
Federal Highway Administration					
Federal-aid highways (21-05-8083-401-A)	Obligation limitation	12,722,820	12,703,000	-19,820	1
Federal Railroad Administration					
Regional rail reorganization program (21-16-4100-401-A)	Budget Authority	23	10,256	10,233	8
Federal Aviation Administration					
Operations (21-25-1301-402-A)	Budget Authority	3,141,201	3,199,548	58,347	1
Trust fund share of FAA Operations (21-25-8104-402-A)	Budget Authority	841,083	856,184	15,101	1
Coast Guard					
Operating expenses (21-30-0201-403-A)	Budget Authority	2,126,466	2,149,069	22,603	1
Pollution fund (21-30-5168-304-A)	401(C) Authority	0	6,700	6,700	3
Offshore oil pollution compensation fund (21-30-5167-304-A)	Obligation limitation	0	62,213	62,213	3
Deepwater port liability fund (21-30-5170-304-A)	Obligation limitation	0	51,844	51,844	3
Oil spill liability trust fund (21-30-8125-304-A)	401(C) Authority	75,000	0	-75,000	3.5
Department of the Treasury					
Financial Management Service					
Salaries and expenses (15-10-1801-803-A)	Budget Authority	235,822	299,333	63,511	4
United States Customs Service					
Salaries and expenses (15-15-0602-751-A)	Budget Authority	1,109,295	1,129,111	19,816	1
	401(C) Authority	157,125	164,141	7,016	5
Internal Revenue Service					
Processing tax returns and assistance (15-45-0912-803-A)	Budget Authority	1,921,631	1,950,730	29,099	1
Tax Law Enforcement (15-45-0913-803-A)	Budget Authority	3,732,171	3,809,983	77,812	1
United States Secret Service					
Salaries and expenses (15-55-1408-751-A)	Budget Authority	381,323	387,620	6,297	1

MAJOR POINTS ON WAYS AND MEANS DEMOCRATS' ALTERNATIVE

Income Tax Increase

- ° The Democrats' Ways and Means Alternative is a \$93.6 billion across-the board income tax increase.

Slippery Slope on Personal Exemptions

- ° The proposal reduces the tax benefits of the personal exemption by removing indexing for inflation. This will increase taxes on everyone except the wealthiest 1 million taxpayers. They had already lost their personal exemptions in the 1986 tax bill. Who is next?

The Return of Bracket Creep

- ° The Democrats' proposal brings back bracket creep with a vengeance. Since World War II every taxpayer was subject to ever-increasing taxes through inflation. Bracket creep was the favorite tool of the tax and spenders. This was stopped in 1981 when we started indexing personal exemptions and tax brackets. By reversing this policy, Democrats would now return us to silent rate increases for everyone.

The Effect on Typical Taxpayers

- ° It increases income taxes for people in all brackets.
 - A married couple with two children, who have taxable income of \$34,000 in 1991 would pay income taxes of \$5,100 under current law. Under the no-indexing provision of the Democratic alternative, they would pay \$5,413.50, an increase of \$313.50, more than 6 percent.
 - A single person with no dependents who has taxable income of \$21,000 in 1991 would pay income taxes of \$3,150 under current law. Under the no-indexing provision of the Democratic alternative, she would pay \$3,301.50, an increase of nearly 5 percent.

THE WHITE HOUSE

WASHINGTON

October 9, 1990

MEMORANDUM

RE: The President's Tax Pledge Regarding Rates

Attached is a copy of "The Pledge" regarding income taxes, including a copy of the letter to Rep. Dornan signed by the then-Vice President in which he promises "to fight for holding the line on raising tax rates."
[Attachment 1]

It was always understood during the '88 campaign that not raising tax rates was the minimum requirement of the anti-tax pledge. For instance, in response to Sen. Dole's announcement in November '87 that he would not raise "tax rates," the Bush campaign produced the now-famous "Straddle" television ad just before the New Hampshire primary, which attacked Dole's rates-only pledge, i.e., that he had not ruled out other taxes. The ad underscored this inference with the line: "You know what that means."

Earlier, on October 12th, 1987, Vice President Bush promised in his Announcement Speech that "I am not going to raise your taxes -- period." This was the usual construction of the phrase throughout the campaign. But on at least one occasion he spoke specifically about rates. In his speech to the Nashua Rotary Club on February 1, 1988, the then-Vice President said the following;

"The people of this country backed tax reform on the promise that if we removed tax breaks, we would not then turn around and raise tax **rates**. I am not going to betray that trust. I will not raise your taxes." [emphasis added] [Attachment 2]

Also attached is a "box" from today's Washington Times, giving a quick reprise of the President's previous remarks on taxes, although without any mention of rates.
[Attachment 3]

###

Republican Study Committee



April 7, 1989

Robert K Dornan, M.C.
Chairman

Ed Buckham
Executive Director

LEGISLATIVE ALERT KEEPING THE PLEDGE

The Republican party recently lost special elections in Indiana and in Alabama. In both cases the Democrat accused the Republican of being a tax increaser.

According to a March 30 Wall Street Journal article (attached), Secretary of the Treasury Brady has called for tax increases in the form of "loophole closings" such as reducing or eliminating tax credits and deductions. If he succeeds in obtaining these tax increases, he will force President Bush and 101 Republican congressmen to violate the pledges they took during the last elections.

Enclosed is a list of the 101 House Republicans and 3 House Democrats who took the pledge which includes opposition to "further reduction or elimination of deductions and credits..." Also attached is the January 6, 1987 letter from President Bush to Congressman Robert Dornan in which he states "I oppose any reduction or elimination of deductions and credits..."

The compromise being discussed by Treasury Secretary Brady may put the seats of these Republican congressmen at risk by asking them to violate their pledges to the voters of their districts. Members on the attached list who are concerned about these developments may want to contact Secretary Brady in this regard.

(Attachments were provided by Americans for Tax Reform.)

The 101st Congress - Pledge Takers

February 2, 1989

The Pledge: I _____, pledge to the taxpayers of the _____ District of the State of _____, and to the American people that I will:

ONE, Oppose any effort to increase marginal tax rates from the 15 and 23 percent rates for individuals and the 34 percent top rate for businesses; and

TWO, Oppose any further reduction or elimination of deductions and credits, unless matched dollar for dollar by further reducing tax rates.

Richard Armey	(R-TX)
Richard Baker	(R-LA)
Cass Ballenger	(R-NC)
Steve Bartlett	(R-TX)
Doug Barnard, Jr.	(D-GA)
Joe Barton	(R-TX)
Michael Bilirakis	(R-FL)
Ben Blaz	(R-Guam)
Thomas Bliley	(R-VA)
William Broomfield	(R-MI)
Jack Buechner	(R-MO)
Hank Brown	(R-CO)
Jim Bunning	(R-KY)
Dan Burton	(R-IN)
Sonny Callahan	(R-AL)
Dan Coats	(R-IN)
Howard Coble	(R-NC)
Larry Combest	(R-TX)
Jim Courter	(R-NJ)
Chris Cox	(R-CA)
Larry Craig	(R-ID)
Phillip M. Crane	(R-IL)
Bill Dannermyer	(R-CA)
Kika de la Garza	(D-TX)
Tom DeLay	(R-TX)
Robert K. Dornan	(R-CA)
Chuck Douglas	(R-NH)
David Dreier	(R-CA)
Mickey Edwards	(R-OK)
Bill Emerson	(R-MO)
Jack Fields	(R-TX)
Elton Gallegly	(R-CA)
Dean Gallo	(R-NJ)
George Gekas	(R-PA)

Newt Gingrich	(R-GA)
Porter Goss	(R-FL)
William Goodling	(R-PA)
Fred Grandy	(R-IA)
Steve Gunderson	(R-WI)
John Hammerschmidt	(R-AR)
Mel Hancock	(R-MO)
James V. Hansen	(R-UT)
Dennis Hastert	(R-IL)
Joel Hefley	(R-CO)
Wally Herger	(R-CA)
John Hiler	(R-IN)
Clyde Holloway	(R-LA)
Duncan Hunter	(R-CA)
Henry Hyde	(R-IL)
Jim Inhofe	(R-OK)
Andy Ireland	(R-FL)
Jim Kolbe	(R-AZ)
John Kyl	(R-AZ)
Robert Lagomarsino	(R-CA)
Norman Lent	(R-NY)
Jerry Lewis	(R-CA)
Jim Lightfoot	(R-IA)
Bob Livingston	(R-LA)
Bill Lowery	(R-CA)
Donald "Buz" Lukens	(R-OH)
Ron Marlenee	(R-MT)
Lynn Martin	(R-IL)
Al McCandless	(R-CA)
Bill McCollum	(R-FL)
Bob McEwen	(R-OH)
Carlos Moorhead	(R-CA)
Howard Nielson	(R-UT)
Michael Oxley	(R-OH)

Ron Packard	(R-CA)
Stan Parris	(R-VA)
Bill Paxton	(R-NY)
Tom Petri	(R-WI)
John Porter	(R-IL)
John Quillen	(R-TN)
Arthur Ravenel	(R-SC)
John Rhodes III	(R-AZ)
Matthew Rinaldo	(R-NJ)
Don Ritter	(R-PA)
Pat Roberts	(R-KS)
Tommy F. Robinson	(D-AR)
Dana Rohrbacher	(R-CA)
Toby Roth	(R-WI)
Jim Saxton	(R-NJ)
Dan Schaefer	(R-CO)
Clay Shaw	(R-FL)
Bud Shuster	(R-PA)
Norm Shumway	(R-CA)
Chris Smith	(R-NJ)
Denny Smith	(R-OR)
Larkin Smith	(R-MS)
Robert C. Smith	(R-NH)
Lamar Smith	(R-TX)
Gerald Solomon	(R-NY)
Floyd Spence	(R-SC)
Arlen Stangeland	(R-MN)
Bob Stump	(R-AZ)
Don Sundquist	(R-TN)
Guy Vanderjagt	(R-MI)
Barbara Vucanovich	(R-NV)
Bob Walker	(R-PA)
Vin Weber	(R-MN)
Bob Whittaker	(R-KS)
Bill Young	(R-FL)
Don Young	(R-AK) 104 Total

For More Information Contact Americans for Tax Reform
 1156 15th Street, N.W.
 Suite 500
 Washington, D.C. 20005
 202-331-0551



THE VICE PRESIDENT
WASHINGTON

January 6, 1987

The Honorable Robert K. Dornan
U.S. House of Representatives
Washington, DC 20515

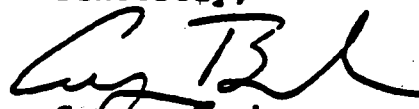
Dear Bob:

Thank you for your recent letter concerning the "Taxpayer Protection Pledge" being sponsored by the Americans for Tax Reform Coalition.

As I've said before, I've pledged to fight for holding the line on raising tax rates. I'm pleased to stand with the President, you, and other Republican leaders who have pledged to oppose efforts to increase marginal tax rates from the 15-28 percent rates for individuals and 34 percent rate for businesses. In addition, I oppose any reduction or elimination of deductions and credits unless matched dollar for dollar by subsequent reductions in tax rates.

Thanks again for your letter and best wishes.

Sincerely,



George Bush

Brady Appears Willing to Close Tax Loopholes

Treasury Chief Says Plans Don't Necessarily Clash With President's Pledge

By ALAN MURRAY
And JEFFREY H. BIRNBAUM

Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON — Treasury Secretary Nicholas Brady said measures to close loopholes in the tax system wouldn't necessarily violate President Bush's vow of "no new taxes."

His comments could prove significant in budget negotiations between the Bush administration and Congress, which are to resume Monday. "It's an opening," said a senior aide to Chairman Dan Rostenkowski (D., Ill.) of the House Ways and Means Committee. "The chairman is willing to sit down and talk about this." But the aide added, "I don't think there's too much yield in all of these loophole-closers."

Using the coded language that has sprung up around the tax-increase debate, Mr. Brady told a small group of reporters that he thinks "loophole-closers aren't ducks." The word "duck" acquired a life of its own earlier this year when Budget Director Richard Darman was asked what kind of revenue-raising measures were covered by the president's pledge of "no new taxes."

"If it looks like a duck, walks like a duck and quacks like a duck," Mr. Darman said at the time, "it's a duck."

Yesterday, Mr. Brady said he wasn't trying to send a signal to Congress, and the types of measures he had in mind were all fairly small. Nevertheless, the comments could still help pave the way for a compromise with Congress.

The administration's budget includes proposals to raise \$14 billion in new revenue for fiscal year 1990. But many of the White House proposals—which include new user fees, increased Medicare payroll taxes for some state and local government employees, and a cut in the tax on capital gains—face strong opposition in Congress.

Rep. Leon Panetta (D., Calif.), chairman of the House Budget Committee, has proposed accepting the administration's \$14 billion revenue figure but replacing some of the White House proposals with other tax-raising measures. The administration hasn't yet agreed to any tax proposals other than those in its budget. But according to Mr. Panetta, both Mr. Darman and Mr. Brady agreed at a meeting earlier this month to explore alternate revenue-raising ideas with Chairman Rostenkowski and Senate Finance Committee Chairman Lloyd Bentsen (D., Texas).

A number of small "loophole-closing" measures have been suggested by members of Congress. House Democrats, for example, are proposing to raise taxes on military contractors \$200 million a year by ending what little remains of the completed-contract method of accounting. This tax-deferral method was all but killed in previous tax bills.

Congressional tax-writers are also considering cutting the deduction allowed to corporations that receive dividends from other companies, a change that would raise more than \$300 million a year. And they are looking at a proposal to require mutual insurance companies to pay an additional \$100 million a year to equalize their tax burden with that of other insurers. But these small proposals won't go far toward meeting the \$14 billion revenue goal.

Moreover, some of the revenue raised in any budget plan will be used to pay for revenue-losing measures. The administration, for instance, has proposed an expansion of the research-and-development tax

credit, a new child-care tax credit, an oil-drilling tax break and tax-free enterprise zones for businesses that locate in depressed areas. With those proposals included, the White House plan would raise only about \$10 billion in net new revenue.

(President Bush yesterday told students visiting the White House that he is opposed to enacting tuition tax credits at this time for parents who send their children to private schools because "we can't afford to do that." Aides said Mr. Bush continues to back the "concept" of tax credits, but is ruling out actively seeking them now because of fiscal restraints. Mr. Bush commented favorably on tuition credits in the 1988 presidential campaign, though support for them wasn't part of his official education position.)

Congressional budget negotiators hope to reach an agreement with the White House in the next few weeks. If they fail, Democratic House leaders have vowed to draft a budget resolution on their own. Such a resolution would include an overall revenue figure, but would leave the details to the tax-writing committees.

But top tax-writers in both houses say they will resist any budget resolution calling for increased revenue unless the Bush administration signs on in advance. "The [Finance] Committee believes that revenues are unlikely to play a role in meeting this year's deficit-reduction goals unless there is bipartisan agreement on such an approach," Sen. Bentsen said in a statement.

Aides to Rep. Rostenkowski said he might oppose the budget on the House floor if it required the Ways and Means Committee to draft a tax-increase bill without a prior agreement with the Bush administration on what kinds of tax increases are acceptable.

—John E. Yang contributed to this article.

A16 THE WALL STREET JOURNAL

THURSDAY, MARCH 30, 1989

THE VICE PRESIDENT
OFFICE OF THE PRESS SECRETARY

FOR IMMEDIATE RELEASE

Monday, February 1, 1988

CONTACT: 202/456-6772

EXCERPTS OF REMARKS FOR
VICE PRESIDENT GEORGE BUSH
NASHUA ROTARY CLUB
NASHUA, NEW HAMPSHIRE
MONDAY, FEBRUARY 1, 1988

I like campaigning in New Hampshire because this state is a model of fiscal responsibility. You live within your means. You balance your budget. I want to accomplish in Washington what you've accomplished in this state.

The Congressional budget process in Washington is a mess. It's a scandal that makes a mockery of spending restraint and threatens the constitutional power of the President.

For the second year in a row, Congress failed to pass a single appropriation bill. Instead, it waited until the last possible moment -- in the middle of the night 3 days before Christmas -- and lumped all the spending bills into a mammoth, 1,000-page document called a "continuing resolution." You saw the President heave it onto the table last Monday night.

That's no way to run a railroad. In the last-minute rush, a lot of unexpected items slipped in -- like \$8 million to build schools for North Africans living in France. Most Members of Congress didn't even know what was in the continuing resolution. There was no time to read it, much less debate it. This kind of institutional breakdown is purely and simply a failure of Congressional leadership.

To get the deficit under control, both this President and the next President will need more than a veto pen -- they'll need a line-item veto to knock out the boondoggles.

The American people support it. That's why 43 governors already have the line-item veto. Being President without it is like running a business without the power to cut expenses.

Some people say you can't balance the federal budget without raising taxes. I don't think that's true. The American people aren't undertaxed, Congress overspends.

The only problem with raising taxes to lower the deficit is that it won't work. Every time Congress raises taxes, spending goes up even more.

-more-

Even with our lower taxes, federal revenues are still 19 percent of the gross national product -- the same as when Jimmy Carter was President. Anyone who tells you that our tax cuts caused the budget deficit is not telling you the truth.

If I'm elected President, I will work to break the budget impasse. But I won't do it by breaking the backs of working men and women. I want austerity for the government and prosperity for the people -- not the other way around.

The people of this country backed tax reform on the promise that if we removed tax breaks, we would not then turn around and raise tax rates. I am not going to betray that trust. I will not raise your taxes.

One more word about taxes. I am opposed to an oil import fee, which is a tax increase by another name -- an anti-business, anti-farmer, anti-consumer tax. Here in New Hampshire, you use oil not just to run your cars, but to heat your homes. A \$10-a-barrel oil import fee would cost the typical New Hampshire family an extra \$900 a year. That's unfair to New Hampshire -- and if an oil import fee crosses my desk as President, I will veto it.

We need a new energy policy in this country. I was in the energy business -- I understand it. We need more sources of energy -- both conventional fuels and alternative fuels like methanol and ethanol. We need to decontrol natural gas, repeal the Windfall Profits Tax, and remove barriers to drilling and exploration. For the security of this country, we've got to lessen our dependence on foreign oil. But I repeat: The oil import fee is not the way to do it.

####

Washington Times
10/2/90 p.m. NATION

BUSH TALKS TAXES

"Read my lips, no new taxes."

— Aug. 18, 1988, during the presidential nomination acceptance speech at the GOP convention.

"I'd like it be for the full four years."

— Jan. 27, 1989, when asked at his first press conference how long his no new tax commitment would hold.

"I have no intention of changing my position."

— March 13, 1990, when asked at a press conference about the possibility of new taxes.

"This bipartisan statement speaks for itself."

— June 26, after acknowledging that "tax revenue increases" will be included in the budget.

"I'm not — and I know you're not — a fan of tax increases."

— Wednesday's speech to the nation.

"Our negotiators are — have a lot of — the negotiators in the Congress have a lot of flexibility. I remain in a flexible frame of mind."

— Saturday, when asked at a press conference if he might agree to increase income tax rates on top earners in exchange for lowering rates on investment profits.

The Washington Times

Much of the political debate on the budget has been based on inside the Washington, D.C., Beltway jargon. That jargon just hides the basic issues.

Let me try to simplify it:

- (1) America must have a real and significant deficit reduction budget to get the economy moving.
- (2) That deficit reduction will bring down interest rates on home purchases, car loans, and help create new jobs.
- (3) To get these results, the budget cannot be smoke and mirrors or business as usual. It must be real, enforceable, and preserve our incentives for growth.
- (4) As always, the real problem has been the unwillingness in Congress to vote for holding down spending.
- (5) Once Congress starts playing with income tax rates, mark my words, all of our tax rates will be raised. That's why I have tried to draw the line on all personal income tax rates.

In fact the Budget Summit has moved us in the right direction and has brought us to the final countdown week. In the next five days, Congress has the chance -- has the obligation -- to act.

THE WHITE HOUSE

WASHINGTON

October 15, 1990

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: LARRY LINDSEY

SUBJECT: Indexing

This memorandum contains the information you requested on the cost of indexing to typical American families. It is based on the latest information regarding the Ways and Means Democrat package. In this package, only the personal exemptions and the tax rate brackets are not going to be indexed. The standard deduction and the other indexable features such as the EITC will continue to be indexed. We also assume that the indexing parameter will be 5 percent for the 1991 tax schedule. This parameter will not actually be determined for a few more weeks.

The attached table shows the effect of this package on 4 person families at various income levels. We assume that each family takes the standard deduction and 4 personal exemptions. The tax calculation assumes that they do not take the EITC or have any other credits or additional taxes. Even if they were to have other taxes or credits, this would change the amount of tax under both current law and the Democrats' proposal by the same amount. Thus, although the tax paid may vary the amount of tax increase under the Democrat plan stays the same.

Note that there are essentially two tax increase amounts: \$60 and \$322.60. The \$60 people are all in the 15 percent bracket. Their personal exemptions do not rise by the scheduled \$100. Thus they pay \$15 in additional tax for each exemption. The other people are in the 28 percent bracket. With indexing this bracket starts \$1620 higher than without indexing. As a result, these people have to pay 28 percent instead of 15 percent on the additional \$1620. That amounts to \$210.60. In addition, their personal exemptions are worth \$28 apiece in taxes, or \$112 for all 4 exemptions. Their total tax change is therefore \$322.60.

Some very high income people experience an even larger tax increase because of the 33 percent bracket. But, taxpayers over the "bubble" have no tax change as a result of indexing. Thus, this Democrat tax change falls entirely on people making less than \$200,000.

Our best estimate of the distributional effects of the Democrat's plan is presented in the table below:

Suggested Talking Points on Indexing

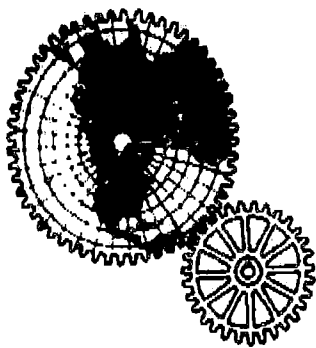
- o The Democrats haven't learned anything. They plan to bring back the bracket creep of the Carter Administration.
- o This will raise the income taxes paid by every low and moderate income American taxpayer.
- o Middle class taxpayers will be hardest hit.
- o Taxpayers with the very highest incomes are unaffected.
- o A four person family with a taxable income of just \$10,000 will have to pay \$60 more in taxes.
- o A four person family with a taxable income of just \$35,000 will have to pay \$323 more in taxes.
- o When the Democrats say "soak the rich" it is really just a cover for getting every American taxpayer wet.

AGI	StDed	PerExmpt	Taxinc	Tax*	DemTaxinc	DemTax*	TaxIncrea
10000	5700	8600	0	0	0	0	0
15000	5700	8600	700	105	1100	165	60
20000	5700	8600	5700	855	6100	915	60
25000	5700	8600	10700	1605	11100	1665	60
30000	5700	8600	15700	2355	16100	2415	60
35000	5700	8600	20700	3105	21100	3165	60
40000	5700	8600	25700	3855	26100	3915	60
45000	5700	8600	30700	4605	31100	4665	60
50000	5700	8600	35700	5566.9	36100	5889.5	322.6
55000	5700	8600	40700	6966.9	41100	7289.5	322.6
60000	5700	8600	45700	8366.9	46100	8689.5	322.6
65000	5700	8600	50700	9766.9	51100	10089.5	322.6
70000	5700	8600	55700	11166.9	56100	11489.5	322.6
75000	5700	8600	60700	12566.9	61100	12889.5	322.6
80000	5700	8600	65700	13966.9	66100	14289.5	322.6
85000	5700	8600	70700	15366.9	71100	15689.5	322.6
90000	5700	8600	75700	16766.9	76100	17089.5	322.6
95000	5700	8600	80700	18166.9	81100	18624.5	457.6
100000	5700	8600	85700	19735.9	86100	20274.5	538.6

<u>Income</u> <u>Class</u>	<u>Percent of Tax Increase</u> <u>Due to Delay of Indexing</u>
under 10	3%
10 - 20	6%
20 - 30	7%
30 - 40	14%
40 - 50	13%
50 - 75	41%
75 - 100	13%
over 100	3%

If I can answer any questions, please do not hesitate to call.

cc: Roger B. Porter



POLYCONOMICS, INC.
Political and Economic Communications

Jude Wanniski
President
86 Maple Avenue
Morristown, NJ 07960
Tel. 201-267-4640
Fax. 201-539-4025

October 15, 1990

The Hon. John Sununu
Chief of Staff
The White House
Washington, D.C.

Dear Governor:

I'm alarmed at your weekend comments urging the Fed to lower interest rates. They indicate you do not understand the delicate mechanisms that are involved in the monetary process. If the Fed tries to lower long-term interest rates by lowering short-rates, the opposite will occur.

An increase in the supply of money will only lower interest rates if the demand for money remains constant. But if a money-supply increase is seen in the money markets as an inflationary impulse, the demand for dollars will sink as holders of dollar assets come to fear capital losses. Twice in the last ten months Governor Angell has made this argument in the face of White House and Treasury pressures for monetary ease. In both cases, Fed easing on the short end was quickly followed by rising long-term interest rates.

You should recall a year ago I warned in your office that Charles Dallara at Treasury had the potential of destroying the Bush administration -- because his Keynesian ideological convictions were dominating Secretary Brady's perspective. Dick Darman has also been brainwashed by OMB economists with the same ideological framework. It is this seemingly simple error that now threatens the Bush Administration with failure, as it destroyed both the Nixon and Carter Administrations.

During the 1980 campaign, a reporter for the Boston Globe asked me who I thought was "smarter," Reagan or Carter. Carter, I said, clearly had a higher IQ. But I added that if you feed a powerful computer an incorrect assumption, it gets to the wrong answer with great speed. Reagan's computing power was less than Carter's, but his starting assumptions about the mechanisms of human interplay were superior. It took longer for the answer to emerge, but the answer was invariably correct.

I write this letter with enormous admiration for your intelligence and commitment. You surely recall my support for you in the earliest days of the administration, when you were being chewed up in the Beltway meatgrinder. I feel the same way about Darman, who also must recall how hard I worked for him in 1984

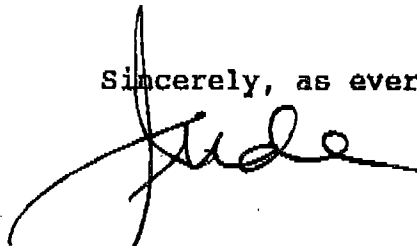
when he was considered persona non grata in the conservative community. His calculations are based on the same initial error in monetary policy that has afflicted so many in both political parties again and again this century -- an assumption that the demand for money remains constant as tax rates are raised or the money supply is increased.

Do you recall, at Camp David last year, how I pointed out during lunch that in the 1930s Roosevelt was besieged again and again to balance the budget by captains of industry? And each time he did so by raising taxes, the depression got deeper? I'd learned this in Herb Stein's book, and mentioned it after both John Akers of IBM and Paul O'Neill of Alcoa, chipped in with fervent appeals for deficit reduction. The President asked Stein if I was right about that, and Stein allowed as to how it is not always advisable to take the economic advice of businessmen. The point I'm making, Governor, is that at the heart of the advice FDR was getting in the '30s, and as Hoover had gotten from his advisors in 1931-32, is the same policy error at the heart of the Darman-Sununu strategy. It is called "the crowding-out" argument, which assumes a constant pool of capital. If the government borrows less from the pool, there is more for others to borrow, and if the pool does drop, the Fed can fill it back up by printing money.

The reason we have been so fanatical in opposing the bipartisan budget plan is that it was built within this static theoretical framework. It is doomed to produce only recession, much bigger deficits, and higher interest rates. The only thing you can do to avoid recession, lower the deficits, and produce lower interest rates at this point is to cut the capital gains tax! This increases the demand for money, and fills the capital pool. It has taken me years to get Newt Gingrich to see this dynamic, and it has only been recently that Kemp has grasped it with confidence. If you would see it, in a flash of intuition, I have no doubt that you would pull back in horror from the course the administration has been set upon.

The reason I've now taken this time to write you is that the opportunity to shift gears is approaching. Where you would have dismissed this letter and its arguments out of hand even a few days ago, perhaps you will be open to them at the present difficult moment. Jack Kemp's speech Sunday to the media moguls offers an escape hatch to the President from the political corner everyone seems to think he is painted into. The President can turn the "tax the rich" argument on its head by arguing the Democratic approach will cause recession, which will hurt the poorest and weakest the most. Rich versus poor class warfare would soon turn to black versus white race conflict. This must be avoided at all costs. I hope this letter will help you understand why we feel so strongly about this unfortunate division in the party over policy.

Sincerely, as ever,



**REVENUES AND SPENDING AS A PERCENT OF GNP,
YEARS OF THE AGREEMENT COMPARED
TO THE '80's**

Receipts					
Actual		1980's Actual		<i>Estimates Under Agreement</i>	
<u>Year</u>	<u>%</u>	<u>Year</u>	<u>%</u>	<u>Year</u>	<u>%</u>
1980	19.4	1985	18.6	1991	19.2
1981	20.1	1986	18.4	1992	19.1
1982	19.7	1987	19.3	1993	19.0
1983	18.1	1988	19.0	1994	19.2
1984	18.1	1989	19.2	1995	19.2

Spending					
Actual		1980's Actual		<i>Estimates Under Agreement</i>	
<u>Year</u>	<u>%</u>	<u>Year</u>	<u>%</u>	<u>Year</u>	<u>%</u>
1980	22.1	1985	23.9	1991	23.6
1981	22.7	1986	23.7	1992	22.8
1982	23.8	1987	22.7	1993	21.0
1983	24.3	1988	22.2	1994	19.0
1984	23.1	1989	22.2	1995	18.4

The last year that spending as a percent of GNP was below 18.4% was 1966.

* The House's Continuing Resolution to defer Gramm-Rudmann sequestration also contains the supplemental appropriation for Operation Desert Shield (\$1.8 billion) and a provision to waive Brooke-Alexander restrictions for Egypt. This waiver would defer the President's request to forgive Egypt's debt. In a letter to Silvio Conte, the ranking Republican on the House Appropriations Committee, President Bush cited Egypt's large contribution to Desert Shield as justification for Egyptian debt forgiveness. The administration will not like the waiver provision instead of outright debt forgiveness.

* The President's Egyptian debt forgiveness proposal is in serious trouble in the Congress. If voted on today, there is a good chance both houses would defeat the proposal. An administration working group is now tasked to find a way to repackage the proposal.

* On Monday Chairman Les Aspin and Bill Dickinson are scheduled to have separate talks with General Scowcroft on the administration's guidelines for DoD conference. Staffers hope the meeting will clarify what the administration's priorities are in this year's DoD bill.

* On Monday the House will consider the FY1991 Intelligence Authorization Act and the Black Caucus will insist on a debate on aid to the UNITA forces in Angola. An amendment to end U.S. support for UNITA could pass on the House floor and Senator Kennedy may introduce a similar amendment on the Senate floor at some point in the near future.

Much of the political debate on the budget has been based on inside the Washington, D.C., Beltway jargon. That jargon just hides the basic issues.

Let me try to simplify it:

- (1) America must have a real and significant deficit reduction budget to get the economy moving.
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- (4) As always, the real problem has been the unwillingness in Congress to vote for holding down spending.
- (5) Once Congress starts playing with income tax rates, mark my words, all of our tax rates will be raised. That's why I have tried to draw the line on all personal income tax rates.

In fact the Budget Summit has moved us in the right direction and has brought us to the final countdown week. In the next five days, Congress has the chance -- has the obligation -- to act.

GOP Budget Survey Highlights

	<u>absolute number</u>
Bubble/cap gains	43+
discret. cuts/freeze	72
less medicare cuts	30
no gas tx	20
no new taxes (rates and otherwise)	47
medicare means test	5
more defense cuts	9
less defense cuts	7
approps/budget reform	12
top tax rate increase/surtax	16

A large, stylized handwritten signature in black ink, possibly reading "D. Smith", with a long horizontal flourish extending to the right.

105 total surveys returned

GOP Budget Survey Highlights

	<u>absolute number</u>
Bubble/cap gains	43+
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top tax rate increase/surtax	16



105 total surveys returned

**DOMENICI / GRAMM Amend To
M. CR**

MODIFICATIONS TO BUDGET SUMMIT AGREEMENT

Modifications to the Budget Summit Agreement included in this proposal would be to first drop the growth incentives for small businesses saving \$11.1 billion. Add indexing of capital gains on private residences retrospectively on date of enactment and indexing capital gains on all assets prospectively beginning in 1992 (the earliest date IRS says it can implement the change). The cost of these indexing proposal is \$6.8 billion over 5 years.

Of the \$4.3 billion net savings remaining, \$2.4 billion would supplement the current \$2.0 billion provided in the Budget Summit Agreement and protect medicare recipients with incomes below 185 percent of poverty from proposed changes in the medicare program. This means that an elderly individual with an annual income below \$12,070 or a elderly couple with an income below \$15,224 would be held harmless for increases in medicare beneficiary costs.

The remaining \$1.9 billion in available funds would be used to reduce the gasoline and general petroleum tax.

Finally, the modification includes an extension of the expiring telephone excise tax, raising \$13.1 billion over 5 years. These revenues would be used to provide expanded child care assistance to low-income families through the EITC program.

Phil Gramm 224 2934

PROPOSED CHANGE IN THE BUDGET SUMMIT AGREEMENT

PRINCIPLES:

1. Changes must be small in their aggregate effect on the summit agreement preserving the \$40 billion of deficit reduction in FY 91 and the \$500 billion over the five year period.
2. Changes must be significant in altering both the perception and the reality of the summit agreement.
3. The changes must make Democrats and Republicans more likely to vote for the agreement.

PROPOSAL:

Drop the small business incentive component of the summit agreement saving \$11.5 billion. Add indexing of capital gains on private residences retrospectively on date of enactment and indexing for capital gains on all assets prospectively beginning in 1992 (the earliest date IRS says it can implement the change). The cost of the indexing proposal is \$6.8 billion.

Use the \$4.7 billion saved by dropping the business incentive component and adding the capital gains proposal plus the \$2 billion provided in the original summit agreement for transition

(name)
(date)
Page 2

in the medicare program to protect all recipients with incomes of 175 percent of poverty and below from the medicare changes.

The remaining funds would be used to to reduce the general petroleum tax.

**H. Con. Res. 310
CONCURRENT RESOLUTION ON THE BUDGET - FY1991**

Modified Bipartisan Leadership Agreement

**Summary
October 8, 1990**

- o The resolution preserves the overall summit agreement structure, including deficit reduction of \$40 billion in fiscal year 1991 and \$500 billion over the fiscal years, 1991 through 1995.**
- o The budget resolution does not achieve deficit reduction; only the reconciliation bill and appropriations bills that flow from the budget resolution can achieve that.**
- o The budget resolution puts the budget on a glidepath to balance by 1996, excluding Social Security cash surpluses.**
- o This deficit reduction package will closely parallel the summit agreement -- 36 percent of the savings will be in discretionary spending, no less than 22 percent mandatory, and no more than 30 percent in revenues. Net interest savings will be 13 percent.**
- o Essentially, this is the same budget resolution as the one negotiated by the Bipartisan Leadership and the White House -- with one major change.**
- o While the total deficit reduction savings required by the Ways and Means and Finance Committees remains unchanged, the reconciliation instruction to the two Committees is altered as follows:**

-- \$10 billion less in specified entitlement savings,

- \$10 billion less in specified revenue savings,
- \$20 billion more in unspecified but reconciled deficit reduction.
- o Specific policy decisions (for example, capital gains, home heating oil, gas tax, tax rates) will be determined by the reconciled committees in consultation with the bipartisan congressional leadership and the Administration. These would be achieved by the normal reconciliation process.
- o The budget resolution contains the same total reconciliation savings for all other Committees as was included in the Bipartisan Leadership Agreement.
- o It includes the same discretionary spending savings -- \$180 billion over the five year period.
- o There are the same three caps for defense, domestic, and international affairs.
- o The resolution contains the same 1991 spending for defense as the Senate passed in the DoD Authorization bill -- \$288.3 billion BA, \$297.0 billion outlays.
- o Gross revenues will not exceed those in the Summit Agreement.
- o This resolution is based on the same process reform provisions as were assumed in the Bipartisan Leadership Agreement and will be included in the reconciliation bill.

DEFICIT REDUCTION IN BUDGET RESOLUTION (\$ billions)

	1991	Total 1991-95
SPENDING:		
<u>Discretionary appropriations:</u>		
Defense.....	9.5	NA
International.....	---	NA
Domestic.....	---	NA
Subtotal, Discretionary.....	9.5	180.1
<u>Entitlement/mandatory/fees:</u>		
Agriculture.....	1.0	13.5
Banking.....	1.5	13.3
Finance.....	3.0	55.9
Governmental Affairs.....	2.2	14.4
Veterans.....	0.6	3.4
Other committees.....	0.7	6.3
Miscellaneous unspecified.....	0.6	3.0
Subtotal, Entitlement/mandatory/fees.....	9.6	109.6
TOTAL SPENDING.....	19.1	289.7
REVENUES:		
Finance (net).....	13.2	118.8
IRS enforcement initiative.....	3.0	9.4
Other committees.....	(*)	0.8
TOTAL REVENUES.....	16.3	129.0
UNSPECIFIED DEFICIT REDUCTION:		
Finance.....	2.0	20.0
NET INTEREST.....	1.4	63.3
TOTAL DEFICIT REDUCTION.....	40.0	502.0

(*) Less than \$50 million.

Details may not add to totals due to rounding.

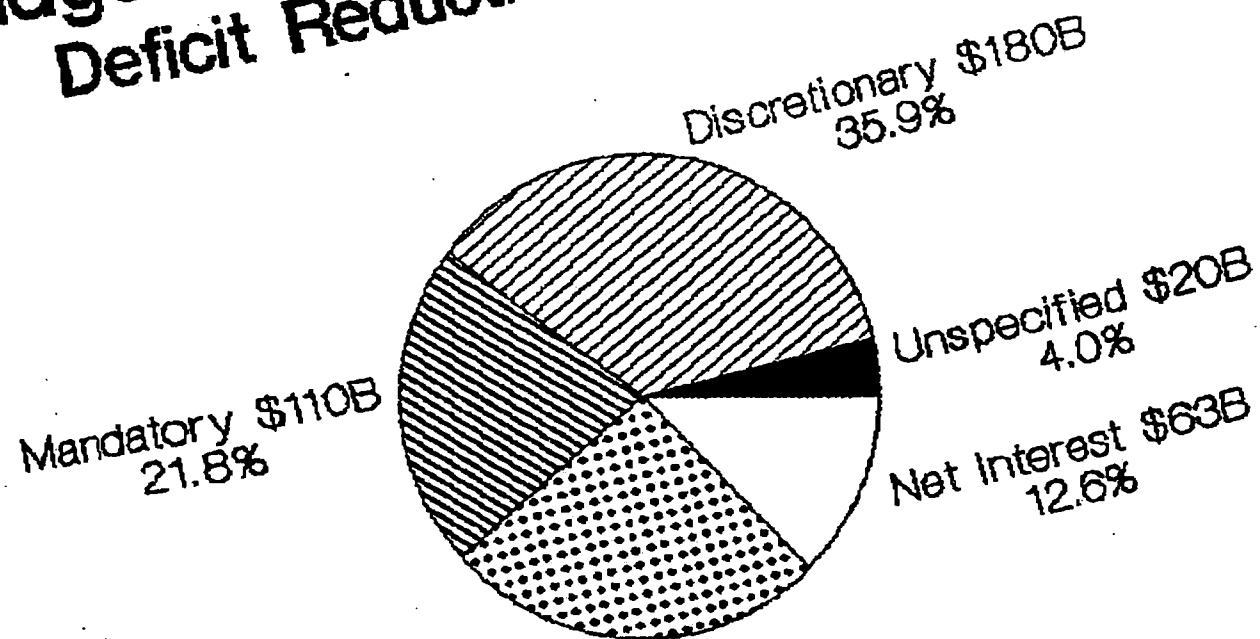
Discretionary savings not specified by category in 1994 and 1995.

Congressional Budget Office/Joint Committee on Taxation scoring.

Prepared by SBC Minority Staff, October 8, 1990.

Budget Resolution Conference

Deficit Reduction by Category



Total 1991-95
\$502 Billion

CONFERENCE AGREEMENT RECONCILIATION BY SENATE COMMITTEE
(\$ millions)

		1991	5-Year
<u>Agriculture:</u>			
Unspecified Mandatory/Fees.....	O	1,000	13,473
<u>Banking:</u>			
Unspecified Mandatory/Fees.....	O	1,507	13,258
<u>Commerce:</u>			
Unspecified Mandatory/Fees.....	O	232	1,338
<u>Energy:</u>			
Unspecified Mandatory/Fees.....	O	38	384
<u>Environment:</u>			
Unspecified Mandatory/Fees.....	O	329	1,808
<u>Finance:</u>			
Unspecified Mandatory/Fees.....	O	3,015	55,883
Unspecified Revenues.....	REV	13,228	118,800
Unspecified Rev or Mandatory.....	DR	2,000	20,000
Subtotal, Finance.....	DR	18,240	194,683
<u>Government Affairs:</u>			
Unspecified Mandatory/Fees.....	O	2,165	14,350
<u>Judiciary:</u>			
Unspecified Mandatory/Fees.....	O	91	498
<u>Labor:</u>			
Unspecified Revenues.....	REV	45	840
Unspecified Mandatory/Fees.....	O	120	2,840
Subtotal, Labor.....	DR	165	3,680
<u>Veterans:</u>			
Unspecified Mandatory/Fees.....	O	620	3,350
TOTAL RECONCILED			
TO COMMITTEES.....	DR	24,907	248,206
IRS Enforcement.....	REV	5,037	8,376
Miscellaneous mandatory/fees.....	O	800	3,000
TOTAL.....	DR	27,944	259,582

NOTE 1: Savings that may result from action by more than one committee due to joint jurisdiction are counted only once in the total.
NOTE 2: Outlays are specified as "O," revenues as "REV," and deficit reduction as "DR."

CR

- ① NOB DUBINOT DISCRETIONARY
LOWBY OF (A) HOUSE LEVEL
(B) SENATE LEVEL
(C) CURRENT LEVEL

② DEFENSE

BA MIDPOINT BETWEEN
SUMMIT LEVEL (\$288.3 BA)
AND THE HOUSE CR LEVEL (283.6 BA)
APPROX. \$286 BA

③ DATES

- ① Committees Report Reconciliation
to Budget Committee by OCT 12
- ② Budget Committee Report Reconciliation
NO LATER THAN OCT 13
- ③ FLOOR CONSIDERATION OF
Reconciliation commences
upon completion of action by
Budget Committee
- ④ Complete final action on
reconciliation by 10/18
- ⑤ CR until (through) OCT 19 vs
OCT 20

CR

① NO DISCRETIONARY

- lower of
- (A) House level
 - (B) Senate level
 - (C) Current level

② DEFENSE

BA midpoint between

summit level (\$288.3 BA)

and the House CR level (283.6 BA)

approx. \$286 BA

③ DATES

① Committees report reconciliation
to Budget Committee by Oct 12

② Budget Committee report reconciliation
no later than Oct 13

③ Floor consideration of
reconciliation commences
upon completion of action by
Budget Committee

④ Complete final action on
reconciliation by 10/18

⑤ CR until (through) Oct 19 vs
Oct 20

RGD -- 10/8/90
1:40 p.m.

DRAFT PRESIDENTIAL STATEMENT

I am today signing H. Con. Res. 310, a temporary Continuing Resolution, providing funds for the government to operate until October 20th.

In vetoing the previous Continuing Resolution, I said I would not sign any such resolution until the Congress had passed a satisfactory Budget Resolution.

The Congress has now passed a Budget Resolution which, if fully implemented, would reduce the federal deficit by five hundred billion dollars over the next five years. If achieved, this would be the largest deficit reduction program in history. While I am not fully satisfied with the Budget Resolution, it does provide a framework within which the committees of the Congress can now work to provide substantive law that comes close to fulfilling the letter -- and that does fulfill the spirit -- of the Bipartisan Budget Summit Agreement announced on September 30, 1990.

The next step in implementing the Budget Resolution is the enactment of a Budget Reconciliation bill. Its component parts are to be submitted to the Budget Committees of the Congress by October 15th.

There is, unfortunately, no assurance that the Congressional Committees will, in fact, produce a fully satisfactory reconciliation bill. But I repeat: I will not accept business as usual.

I am obliged to make clear that the reconciliation bill now called for:

- o must be largely consistent with the Bipartisan Budget Summit Agreement;
- o must achieve the intended savings from each of the specified committees on a basis that is scored by both OMB and CBO as "real" -- no smoke, no mirrors;
- o must include mutually agreeable, growth-oriented tax incentives;
- o must include the process reform measures announced in the Bipartisan Budget Summit Agreement;
- o must be fully and satisfactorily enforceable on a continuing basis;
- o must be produced on a bipartisan basis -- with full and fair opportunities for constructive participation by both parties and both branches; and

- o must be passed by both Houses of Congress in satisfactory form by October 20th.

As the responsibility for action now shifts to the Committees of the Congress, I will be following the work of the Committees closely. And if, by October 20th, the Congress has failed to pass a Budget Reconciliation bill that meets the tests I have outlined, I will again have to withhold my signature from any continuing resolution.

Rosty Mark

Joint Committee on Taxation
October 10, 1990
JCX-29-90
(D=JCX-30-90)

- Ways and Means Committee -
PROPOSED AMENDMENTS TO BUDGET SUMMIT AGREEMENT

Fiscal Years 1991-1995
[Billions of Dollars]

Item	Effective	1991	1992	1993	1994	1995	1991-95
A. Regressivity Offset							
Increase EITC.....	1/1/91	-0.1	-1.1	-1.2	-1.3	-1.3	-5.0
B. Revenue-Raising Provisions							
1. Energy taxes:							
a. Motor fuels tax (5 cents; 9 cents after 7/1/91) (1).....	12/1/90	5.2	9.1	8.8	8.9	8.9	40.9
b. 2-cent petroleum tax (exemptions for manufacturing, feedstocks, and home heating oil).....	1/1/91	1.6	2.3	2.3	2.4	2.4	11.0
2. Increase tobacco taxes by 4 cents per pack in 1991 and by 4 cents per pack in 1993.....	1/1/91	0.6	0.8	1.5	1.5	1.5	5.9
3. Beer, wine, and distilled spirits taxes (2).....	1/1/91	1.5	2.1	2.1	2.1	2.1	9.9
4. 10% luxury excise tax (3).....	1/1/91	0.3	0.5	0.6	0.7	0.7	2.8
5. Expand ozone-depleting chemical excise tax (4).....	1/1/91	0.1	0.1	0.1	0.1	0.1	0.5
6. Loss deductions and salvage values for insurance companies (8-year phasein).....	1/1/90	0.3	0.2	0.2	0.2	0.2	1.1
7. Adopt foreign compliance provisions including certain provisions from H.R. 4308.....	3/20/90	(5)	(5)	0.1	0.1	0.1	0.3
8. Amortize insurance policy deferred acquisition expenses (DAC).....	9/30/90	1.5	1.7	1.7	1.6	1.5	8.0
9. Leaking underground storage tank (LUST) trust fund (5 years).....	D/o/E +30	0.1	0.1	0.1	0.1	0.1	0.6
10. Increase Airport Trust Fund aviation excise taxes (5 years) (6).....	12/1/90	1.4	2.3	2.5	2.7	3.0	11.9
11. Increase harbor maintenance tax.....	1/1/91	0.3	0.3	0.4	0.4	0.4	1.8
12. Retiree health with reversion excise increase and asset cushion requirement (7).....	-	0.5	0.2	0.1	0.1	(5)	0.9
13. State and local HI (8).....	1/1/92	--	0.7	1.4	1.6	1.6	5.2

Item	Effective	1991	1992	1993	1994	1995	1991-95
14. Corporate Federal tax underpayments: Disallow deduction for interest paid to IRS attributable to time after 12/31/90.....	1/1/91	1.4	0.7	0.6	0.4	0.6	3.9
15. Certain business tax provisions:							
a. Expand and clarify reporting and allocation rules for certain asset acquisitions.....	10/10/90	(5)	(5)	(5)	(5)	(5)	0.1
b. Require accrual of redemption premium for certain preferred stock.....	10/10/90	(5)	0.1	0.1	0.1	0.1	0.4
c. Expand application of CERT rules to subsidiary acquisitions.....	10/10/90	(5)	0.1	0.1	0.1	0.1	0.4
d. Require recognition of corporate-level gain in certain divisive corporate transactions (5-year limitation period).....	10/10/90	(5)	(5)	(5)	(5)	(5)	0.2
e. Clarify treatment of debt exchanges.....	10/10/90	0.1	0.1	0.1	(5)	(5)	0.3
16. Limitation on itemized deductions (9).....	1/1/91	0.5	4.1	4.0	4.5	4.9	18.0
17. Increase HI wage cap to \$73,000.....	1/1/91	0.9	2.8	2.9	3.1	3.3	13.0
18. State and local social security (QASDI) (10).....	--	2.0	2.2	2.4	2.5	2.7	11.7
19. Increase railroad retirement tier 2 payroll taxes (10).....	--	(5)	(5)	(5)	0.1	0.1	0.2
20. Payroll tax deposit stabilization.....	--	1.0	2.2	-3.2	--	--	--
Subtotals, Revenue-Raising Provisions.....		19.3	32.6	28.8	33.3	34.4	149.0
Net Deficit Reduction.....		19.2	31.5	27.6	32.0	33.1	144.0

Joint Committee on Taxation

NOTES: Details may not add to totals due to rounding.

Interaction between or among items has not been taken into account for the purpose of this table.

In "Effective" column: D/w/E +30 = 30 days after date of enactment.

- (1) 50% of motor fuels tax increase dedicated to deficit reduction; 50% dedicated to highway trust fund (20% of this portion to be allocated to mass transit account). Each State to receive highway account apportionments and allocations equal to at least 95% of its contribution attributable to increased revenue.
- (2) Increase distilled spirits by \$1.50 (to \$14/proof gallon); double beer to 32 cents/6-pack (\$18/barrel); increase table wine to 25 cents/bottle (\$1.27/gallon); increase rates on fortified wines to maintain current-law differentials between rates. Increases in beer and wine rates have exemptions for some production by small domestic wineries and breweries.
- (3) Tax applies to specific newly-manufactured items with retail prices above the following thresholds: automobiles--\$30,000; boats and yachts--\$100,000; jewelry--\$5,000; furs--\$5,000; and planes--\$100,000. Automobiles, boats, and planes used to transport people or property for hire are exempt. Tax is 10% of purchase price in excess of thresholds.

[Footnotes continued on following page.]

[Footnotes continued for JCX-29-90.]

- (4) The tax with respect to the new chemicals subject to the tax is phased in as follows: 1991-\$1.37, 1992-\$1.37, 1993-\$1.67, 1994-\$3.00, 1995 and thereafter-\$3.10.
- (5) Gain of less than \$50 million.
- (6) This estimate is presented relative to the Congressional Budget Office (CBO) baseline which assumes extension of the Airport and Airway Trust Fund (AATF) taxes with the aviation tax reduction trigger in effect. The estimate reflects the effects both of removing the trigger and of increasing the rates of certain of the AATF taxes by 25% as proposed in the President's budget.
- (7) Permit certain tax-free transfers of excess pension assets to pay retiree health benefits. (Revenue effect in billions: 1991=\$0.5; 1992=\$0.3; 1993=\$0.2; 1994=\$0.2; 1995=\$0.1; 1991-95 Total=\$1.3.) Generally effective for reversions after September 30, 1990, increase the reversion excise tax to 20%. If the employer does not transfer 30% of the reversion to a qualified replacement plan (or 25% if certain benefit increases to plan participants and retirees are provided), the reversion tax is 50%. (Revenue effect in billions: 1991=Loss of less than \$50 million; 1992=\$-0.1; 1993=\$-0.1; 1994=\$-0.1; 1995=\$-0.1; 1991-95 Total=\$-0.5.)
- (8) HI rate = 0.8% in 1992, 1.35% in 1993, 1.45% in 1994 and thereafter.
- (9) Disallow itemized deductions in an amount equal to 3% of AGI in excess of \$100,000 for single returns, \$100,000 for joint returns, and \$100,000 for head of household returns. Proposal does not apply to medical expenses or investment interest. Disallowance under the proposal cannot exceed 80% of otherwise deductible itemized deductions subject to the proposal.
- (10) Estimate provided by CBO.

- Ways and Means Committee -

SUMMARY OF DISTRIBUTIONAL EFFECTS, BY INCOME CLASS (1)
Assuming Enactment of Proposed Amendments to Budget Summit Agreement
(1990 Income Levels)

Income Class (2)	Change in Federal Taxes (1)(3)		Federal Taxes Under Present Law (4)		Federal Taxes Under Proposal (1)(4)		Effective Tax Rates	
	Billions	Percent	Billions	Percent	Billions	Percent	Present Law	Proposal
Less than \$10,000.....	\$1.0	6.9%	\$14.2	1.6%	\$15.2	1.7%	13.3%	14.3%
10,000 to 20,000.....	1.1	1.7%	65.8	7.6%	66.9	7.6%	15.6%	15.8%
20,000 to 30,000.....	3.1	3.0%	102.5	11.9%	105.6	11.9%	18.4%	19.0%
30,000 to 40,000.....	3.1	2.7%	115.8	13.4%	118.9	13.5%	20.0%	20.6%
40,000 to 50,000.....	2.4	2.7%	87.9	10.2%	90.2	10.2%	21.4%	22.0%
50,000 to 75,000.....	3.1	1.8%	172.8	20.0%	175.9	19.9%	24.7%	25.1%
75,000 to 100,000.....	1.5	2.3%	66.5	7.7%	68.1	7.7%	25.8%	26.4%
100,000 to 200,000.....	2.4	2.3%	104.4	12.1%	106.8	12.1%	26.2%	26.8%
200,000 and over.....	3.2	2.4%	133.3	15.4%	136.5	15.4%	25.2%	25.8%
Total, All Taxpayers..	\$20.8	2.4%	\$863.2	100.0%	\$884.0	100.0%	21.8%	22.3%

Joint Committee on Taxation

- (1) Distributional analysis includes effects from the Budget Summit Agreement, as modified by proposed amendments, with respect to beer, wine, and distilled spirits taxes, tobacco tax, energy taxes, increase in HI wage cap, and increase in the EITC; analysis does not take into effect changes as a result of taxpayer behavior.
- (2) The income concept used to place tax returns into income classes is adjusted gross income plus [1] tax-exempt interest, [2] employer contributions for health plans and life insurance, [3] inside buildup on life insurance, [4] workers' compensation, [5] nontaxable social security benefits, [6] deductible contributions to individual retirement accounts, [7] the minimum tax preferences, and [8] net losses in excess of minimum tax preferences from passive business activities.
- (3) Estimates of total tax liability presented in distributions will not match estimated changes in receipts because of differing time periods (CY 1990 vs. FY 1991-95), because of varying patterns of fiscal year receipts.
- (4) Distributions represent combined effects of individual income taxes, payroll taxes, Federal excise taxes, and estate and gift taxes. For the purpose of distributions, the full burden of payroll taxes is assigned to employees. Excise taxes are assumed to be borne fully by individuals either directly through purchase of the taxed commodity or indirectly through higher prices on all commodities as businesses pass along these added costs. Because of the uncertainty concerning the incidence of the corporate income tax, it is excluded from this table. Information in table excludes individuals who are dependents of other taxpayers.

MEETING- Ranking Members

Date: _____

Place: _____

Time: _____

Re: _____

MEMBER	COMMITTEE	CONTACT	PHONE	YES/NO
MANGAN	Agriculture	Jackie	52371	
COFFE	Appropriations	Nancy	55335	
DICKINSON	Armed Services	Wendy	52901	
WYKE	Banking	Angela	52015	
FRANZEL	Budget	Sue	51423	
PARIS	D.C.	Bethann	54376	
GODDING	Ed & Labor	Pat	55836	
LEWIS	En & Commerce	Carolyn	57896	
BROMFIELD	Foreign Affairs	Nancy	56135	
HORTON	Gov't Ops	Rubie	54916	
THOMAS	House Admin	Cynthia	53915	
YOUNG	Interior	Nicki	55765	
FISHER	Judiciary	Grace	55441	
DAVIS, B.	Merchant Marine	Cindy H.	54735.	
GERMAN	Post Office	Beverly V.	53776	
HAMMERSCHMIDT	Public Works	Ava	54301	
QUILLEN	Rules	Dee	56356	
WALKER	Science & Tech	Lisa	52411	
MADADE	Small Business	Carol B.	53731	
MCCOY	Standards	Sally	55605	
STUMP	Veterans'	Delores	54576	
ANCHER	Ways & Means	Linda	52571	
REYNOLDS	Sub. on Aging	Betty	55361	
BOLEY	Children, Youth	Phyllis	53815	
FERGUSON	Sub. on Hunger	Tricia	54404	
FRIDE	Intelligence	Ann	54561	
COUGHLIN	Narcotics	Peter H.	55111	
EXTRA	EXTRA	EXTRA	EXTRA	

IN PROGRESS: ROLL NO. 421
 AUTHOR(S):
 AGREEING TO CONFERENCE REPORT

YEA-AND-NAY

TIME REMAINING FINAL

CONGRESSIONAL BUDGET FOR U.S. GOVERNMENT FOR FY 1991, 1992, 1993,
 1994, AND 1995

	H CON RES 310			
	YEA	NAY	PRES	NOT VOTING
DEMOCRATIC	108	149		1
REPUBLICAN	71	105		
OTHER				
TOTALS	179	254		1

TIME REMAINING FINAL

Y ARCHER	Y GREEN	Y MOLINARI
Y BAKER	Y HAMMERSCHMIDT	Y MORELLA
Y BARTLETT	Y HANSEN	Y MORRISON (WA)
Y BATEMAN	Y HASTERT	Y OXLEY
Y BOEHLERT	Y HORTON	Y PORTER
Y BUECHNER	Y HOUGHTON	Y QUILLEN
Y CHANDLER	Y IRELAND	Y RHODES
Y CLINGER	Y JOHNSON (CT)	Y RIDGE
Y COLEMAN (MO)	Y KOLBE	Y ROBERTS
Y COMBEST	Y LEACH (IA)	Y ROBINSON
Y CONTE	Y LENT	Y SCHIFF
Y COUGHLIN	Y LEWIS (CA)	Y SHAW
Y COURTER	Y LIVINGSTON	Y SHAYS
Y DEWINE	Y LOWERY (CA)	Y SHUMWAY
Y DICKINSON	Y LUKENS, DONALD	Y SKEEN
Y FISH	Y MADIGAN	Y SMITH (NE)
Y FRENZEL	Y MARTIN (NY)	Y SMITH (UT)
Y GALLO	Y MCDADE	Y SUNDQUIST
Y GERAS	Y McMILLAN (NC)	Y VANDER JAGT
Y GILLMOR	Y MEYERS	Y VUCANOVICH
Y GOODLING	Y MICHEL	Y WHITTAKER
Y GRADISON	Y MILLER (OH)	Y WOLF
Y GRANDY	Y MILLER (WA)	Y WYLIE
ROLL NO. 421	REPUBLICAN - YEA -	
Y YOUNG (AK)		
Y YOUNG (FL)		

ROLL NO. 421

REPUBLICAN - YEARS - CONTINUED

N ARMEY	N DUNCAN	N KYL
N BALLENGER	N EDWARDS (OK)	N LAGOMARSINO
N BARTON	N EMERSON	N LEWIS (FL)
N BENTLEY	N FARWELL	N LIGHTFOOT
N BERELTER	N FIELDS	N MACHTEY
N BILIRAKIS	N GALLEGLY	N MARLENEE
N BLILEY	N GILMAN	N MARTIN (IL)
N BROOMFIELD	N GINGRICH	N MCCANDLESS
N BROWN (CO)	N GOSS	N MCCOLLUM
N BUNNING	N GRANT	N MCCREY
N BURTON	N GUNDERSON	N MCEWEN
N CALLAHAN	N HANCOCK	N MCGRATH
N CAMPBELL (CA)	N HEFLEY	N MOORHEAD
N COBLE	N HENRY	N MYERS
N COX	N HERGER	N NIELSON
N CRAIG	N HILER	N PACKARD
N CRANE	N HOLLOWAY	N PARRIS
N DANNEMEYER	N HOPKINS	N PASHAYAN
N DAVIS	N HUNTER	N PAXON
N DELAY	N HYDE	N PETRI
N DORNAN (CA)	N INHOFE	N PURSELL
N DOUGLAS	N JAMES	N RAVENEL
N DREIER	N KASICH	N REGULA

ROLL NO. 421

REPUBLICAN - MAYS -

N RINALDO	N SOLOMON
N RITTER	N SPENCE
N ROGERS	N STANGELAND
N ROHRBACHER	N STEARNS
N ROS-LEHTINEN	N STUMP
N ROTH	N TAIKE
N ROUKEMA	N THOMAS (CA)
N ROWLAND (CT)	N THOMAS (WY)
N SAIKI	N UPTON
N SAXTON	N WALKER
N SCHAEFER	N WALSH
N SCHNEIDER	N WEBER
N SCHUETTE	N WELDON
N SCHULZE	
N SENSENBRENNER	
N SHUSTER	
N SLAUGHTER (VA)	
N SMITH (NJ)	
N SMITH (TX)	
N SMITH, DENNY (OR)	
N SMITH, ROBERT (NH)	
N SMITH, ROBERT (OR)	
N SNOWE	

ROLL NO. 421

REPUBLICAN - NAYS

- CONTINUED

Y ACKERMAN
Y ANDERSON
Y ANDREWS
Y ASPIN
Y AUCOIN
Y BEILENSEN
Y BENNETT
Y BEVILL
Y BILBARY
Y BOGGS
Y BOSCO
Y BUSTAMANTE
Y BYRON
Y CARDIN
Y CARPER
Y CHAPMAN
Y CLEMENT
Y COLEMAN (TX)
Y CONVERS
Y COOPER
Y DARDEN
Y DE LA GARZA
Y DERRICK

Y DICKS
Y DINGELL
Y EARDREICH
Y FASCELL
Y FAZIO
Y FLIAPP
Y FOGLIETTA
Y FOLEY
Y FROST
Y GEJDENSON
Y GEPHARDT
Y GIBBONS
Y GLICKMAN
Y GORDON
Y GRAY
Y HALL (OH)
Y HALL (TX)
Y HAMILTON
Y HATCHER
Y Hoyer
Y KAPTUR
Y KENNELLY
Y KOSTMAYER

Y LAFALCE
Y LANCASTER
Y LANTOS
Y LEATH (TX)
Y LEHMAN (FL)
Y LEVIN (MI)
Y LLOYD
Y LUKEN, THOMAS
Y MANTON
Y MATSUI
Y MCCURDY
Y McDERMOTT
Y MCHUGH
Y McMILLEN (MD)
Y MCNULTY
Y MINETA
Y MOKLEY
Y MOLLOHAN
Y MONTGOMERY
Y MURTHA
Y NAGLE
Y NELSON
Y OBERSTAR

ROLL NO. 421

DEMOCRATIC - YEAS

Y OLIN
Y ORTIZ
Y OWENS (UT)
Y PANETTA
Y PARKER
Y PAYNE (VA)
Y PERSE
Y PENNY
Y PICKLE
Y PRICE
Y RAY
Y RICHARDSON
Y ROSE
Y ROSTENKOWSKI
Y ROWLAND (GA)
Y SABO
Y SAWYER
Y SCHEUER
Y SERRANO
Y SIKORSKI
Y SISISKY
Y SKAGGS
Y SKELTON

Y SLATTERY
Y SMITH (IA)
Y SOLARZ
Y SPRATT
Y STENHOLM
Y SWIFT
Y TALLON
Y TANNER
Y THOMAS (GA)
Y TORRES
Y TRAXLER
Y UDALL
Y VALENTINE
Y VISLOSKY
Y WATKINS
Y WILSON

ROLL NO. 421

N ALEXANDER
N ANNUNZIO
N ANTHONY
N APPLEGATE
N ATKINS
N BARNARD
N BATES
N BERMAN
N BONIOR
N BORSKI
N BOUCHER
N BOXER
N BRENNAN
N BROOKS
N BROWDER
N BROWN (CA)
N BRUCE
N BRYANT
N CAMPBELL (CO)
N CARR
N CLARKE
N CLAY
N COLLINS

ROLL NO. 421

N JONES (NC)
N JONTZ
N KANJORSKI
N KASTENMEIER
N KENNEDY
N KILDEE
N KLECZKA
N KOLTER
N LAUGHLIN
N LEAMAN (CA)
N LEVINE (CA)
N LEWIS (GA)
N LIPINSKI
N LONG
N LOWEY (NY)
N MARKEY
N MARTINEZ
N MAVROULES
N MAZZOLI
N MCCLOSKEY
N MFUME
N MILLER (CA)
N MINK

ROLL NO. 421

N WASHINGTON
N WAXMAN
N WEISS
N WHEAT
N WHITTEN
N WILLIAMS
N WISE
N WOLFE
N WYDEN
N YATES
N YATRON

DEMOCRATIC - YEARS

N CONOIT
N COSTELLO
N COYNE
N DEFazio
N DELLUMS
N DIXON
N DONNELLY
N DORGAN (ND)
N DOWNEY
N DURBIN
N DWYER
N DYMALLY
N DYSON
N EARLY
N ECKART
N EDWARDS (CA)
N ENGEL
N ENGLISH
N ESPY
N EVANS
N FEIGHAN
N FLAKE
N FORD (MI)

DEMOCRATIC - DAYS

N MOODY
N MORRISON (CT)
N MRAZEK
N MURPHY
N NATCHER
N NEAL (MA)
N NEAL (NC)
N NOWAK
N OAKAR
N OBEY
N OWENS (NY)
N PALLONE
N PATTERSON
N PAYNE (NJ)
N PELOSI
N PERKINS
N PICKETT
N POSHARD
N RAHALL
N RANGEL
N ROE
N ROYBAL
N RUSSO

DEMOCRATIC - DAYS - CONTINUED

- CONTINUED

N FORD (TN)
N FRANK
N GAYDOS
N GEREN
N GONZALEZ
N GUARINI
N HARRIS
N HAWKINS
N HAYES (IL)
N HAYES (LA)
N HEFNER
N HERTEL
N HORGAND
N HOCHERUECKNER
N HUBBARD
N HUCKABY
N HUGHES
N HUTTO
N JACOBS
N JENKINS
N JOHNSON (SD)
N JOHNSTON
N JONES (GA)
N SANGMEISTER
N SARFALIUS
N SAVAGE
N SCHROEDER
N SCHUMER
N SHARP
N SLAUGHTER (NY)
N SMITH (FL)
N STAGGERS
N STALLINGS
N STARK
N STOKES
N STUDDS
N SYNAR
N TAUZIN
N TAYLOR
N TORRICELLI
N TOWNS
N TRAFICANT
N UNSOLD
N VENTO
N VOLKMER
N WALGREN

Congress of the United States

House of Representatives

Washington, DC 20515

October 7, 1990

President George Bush
The White House
Washington, D.C. 20500

Dear Mr. President:

We, the undersigned Republican Members of the House of Representatives, request the opportunity to meet with you prior to the acceptance of another budget agreement so that we might relay our concerns directly to you. Respectfully, Mr. President, we simply must meet with you. We consider such an opportunity to be of critical importance and look forward to discussing this domestic budget crisis with our national Republican leader.

Thank you very much.

Hopefully,

Tom DeLay

Van Burton

Gick Hamey

Mike Hinch

John Kanil

Henry J. Hyde

Bob Dornan

Frank Brown

Chuck Dwyer

Clyde Spoor

Louie

Dana Hunt

Wally Hergen

Chris Cal

John Benning

THE WHITE HOUSE
WASHINGTON

THE CHIEF of STAFF
has seen

10/11

JOHN:

It is my understanding that the Democratic caucus will produce the following reconciliation package (or with these broad outlines) in the House later today.

1. Big surtax on millionaires
2. 33% on bubble
3. Drop gas tax substantially lower so as to pick up Southerners and Westerners
4. Go below \$50 Billion on Medicare, say in the 45-47 range.
5. Nothing will be included on capital gains (or that was at least the case this morning), but may add it tomorrow.

I do NOT know what impact today's statement will have on what they will do.

Fred



CR

① NOT DETERMINED DISCRETIONARILY

- lower of
- (A) HOUSE LEVEL
 - (B) SENATE LEVEL
 - (C) CURRENT LEVEL

② DEFENSE

BA MIDPOINT BETWEEN

SUMMIT LEVEL (\$288.3 BA)

AND THE HOUSE CR LEVEL (283.6 BA)

APPROX. \$286 BA

③ DATES

① Committees Report Reconciliation to Budget Committee by OCT 12

② Budget Committee Report Reconciliation NO LATER THAN OCT 13

③ FLOOR CONSIDERATION OF Reconciliation commences upon completion of action by Budget Committee

④ Complete final action on reconciliation by 10/18

⑤ CR until (through) OCT 19 VS OCT 20

CARL D. PURSELL
2D DISTRICT OF MICHIGAN

COMMITTEE:
APPROPRIATIONS

WASHINGTON OFFICE:
1414 LONGWORTH BUILDING
WASHINGTON, DC 20518
(202) 225-4401

United States
House of Representatives
Washington, DC 20515

HOME OFFICES:
381 WEST EISENHOWER PARKWAY
ANN ARBOR, MI 48103
(313) 761-7727

134 NORTH MAIN STREET
PLYMOUTH, MI 48170
(313) 456-8830

111 NORTH WEST AVENUE
JACKSON, MI 48201
(517) 787-0852

October 9, 1990

THE CHIEF of STAFF
has seen

Mr. John Sununu
Chief of Staff
to the President
The White House
Washington DC 20500

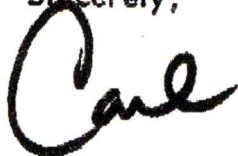
Dear John,

The following pages include the **First Draft of the Budget Proposal** developed by the Policy Committee's Task Force on the Budget.

This proposal will be reviewed by the Policy Committee on Wednesday, October 10 at 2:00 p.m.

Copies have been distributed to members of the Republican Leadership in both the House and Senate, as well as Vice President Quayle, Bob Teeter, and Dick Darman.

Sincerely,



Carl D. Pursell
Member of Congress

CDP:DI

PURSELL-KASICH BUDGET TASK FORCE

BUDGET PROPOSAL

First Draft

Enclosed is a proposal our Task Force developed at the Leadership's request. The Task Force reflects a broad cross-section of our conference and we believe that the positive, tough, and pro-growth Republican position that can win is critically important at this time.

PURSELL-KASICH BUDGET GROUP

**Helen Bentley
Doug Bereuter
Christopher Cox
Tom DeLay
Dean Gallo
Dennis Hastert
John Hiler**

**Nancy Johnson
John Kasich
John Miller
Carl Pursell
Olympia Snowe
Fred Upton**

MAJOR PRINCIPLES

- **FAIRNESS**
- **PRO-GROWTH**
- **SPENDING DISCIPLINE**
- **LESS GOVERNMENT**
- **ACCOUNTABILITY**

PURSELL-KASICH BUDGET PROPOSAL

Major Elements

	<u>Deficit Reduction</u>	
	<u>1991</u>	<u>1991-95</u>
1. NonDefense Discretionary	- 6.0	- 39.0
BA "HARD" FREEZE IN 1991, INFLATION ONLY THEREAFTER		
2. Defense - Nunn	- 10.0	- 170.0
3. Entitlements: Same as 9/30	- 10.7	- 104.4
EXCEPT:		
◦ Medicare \$10B less over 5 years		
◦ No 2-week unemployment wait		
4. Revenues: Same as 9/30	- 16.6	- 70.7
EXCEPT:		
◦ Flatten Bubble at 31%		
◦ Capital Gains at 15%		
◦ No Petroleum Tax		
◦ Drop Small Business Incentive except R&D Credit		
◦ No Gasoline Tax		
5. Interest	- 2.0	- 66.0
T O T A L	- 45.4	- 450.1

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Christopher Cox
Tom DeLay
Fred Upton
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John Hiler

John Kasich
Nancy Johnson
John Miller
Carl Pursell
Dean Gallo
Olympia Snowe

REPUBLICAN REFORMS OF THE BROKEN DOWN BUDGET PROCESS

1. Order of procedure is budget first, spending second. No authorization or appropriations bill may be considered until the budget is in place.
2. The budget will be for two years, rather than one.
3. The budget shall be a single page, 19 major categories, and shall be a joint resolution subject to a presidential veto.
4. Congress shall obey the deadlines of the Congressional Budget Act of 1974. The Rules Committee will have no jurisdiction to waive the Budget Act deadlines or spending limits. Instead, a two-thirds vote would be required on the floor.
5. In case of any over-budget spending approved by Congress, the President may rescind the over-budget portion. (Congress could override rescission with two-thirds vote.)
6. Supplementals must be pay-as-you-go. The President is encouraged to veto over-budget appropriations.
7. No more last minute Continuing Resolutions. If Congress fails to act, appropriations are automatically continued at last year's levels.
8. No more "current services" baselines in President's or Congressional budgets - instead, hard numbers must be used.
9. The leadership of the Senate and the House agree to schedule an early 1991 floor vote on the Balanced Budget Amendment.

H. Con. Res. 310
CONCURRENT RESOLUTION ON THE BUDGET - FY1991

Modified Bipartisan Leadership Agreement

Summary
October 8, 1990

- o The resolution preserves the overall summit agreement structure, including deficit reduction of \$40 billion in fiscal year 1991 and \$500 billion over the fiscal years, 1991 through 1995.
- o The budget resolution does not achieve deficit reduction; only the reconciliation bill and appropriations bills that flow from the budget resolution can achieve that.
- o The budget resolution puts the budget on a glidepath to balance by 1996, excluding Social Security cash surpluses.
- o This deficit reduction package will closely parallel the summit agreement -- 36 percent of the savings will be in discretionary spending, no less than 22 percent mandatory, and no more than 30 percent in revenues. Net interest savings will be 13 percent.
- o Essentially, this is the same budget resolution as the one negotiated by the Bipartisan Leadership and the White House -- with one major change.
- o While the total deficit reduction savings required by the Ways and Means and Finance Committees remains unchanged, the reconciliation instruction to the two Committees is altered as follows:

-- \$10 billion less in specified entitlement savings,

- \$10 billion less in specified revenue savings,
- \$20 billion more in unspecified but reconciled deficit reduction.
- o Specific policy decisions (for example, capital gains, home heating oil, gas tax, tax rates) will be determined by the reconciled committees in consultation with the bipartisan congressional leadership and the Administration. These would be achieved by the normal reconciliation process.
- o The budget resolution contains the same total reconciliation savings for all other Committees as was included in the Bipartisan Leadership Agreement.
- o It includes the same discretionary spending savings -- \$180 billion over the five year period.
- o There are the same three caps for defense, domestic, and international affairs.
- o The resolution contains the same 1991 spending for defense as the Senate passed in the DoD Authorization bill -- \$288.3 billion BA, \$297.0 billion outlays.
- o Gross revenues will not exceed those in the Summit Agreement.
- o This resolution is based on the same process reform provisions as were assumed in the Bipartisan Leadership Agreement and will be included in the reconciliation bill.

DEFICIT REDUCTION IN BUDGET RESOLUTION (\$ billions)

	1991	Total 1991-95
SPENDING:		
<u>Discretionary appropriations:</u>		
Defense.....	9.5	NA
International.....	---	NA
Domestic.....	---	NA
Subtotal, Discretionary.....	9.5	180.1
<u>Entitlement/mandatory/fees:</u>		
Agriculture.....	1.0	13.5
Banking.....	1.5	13.3
Finance.....	3.0	55.9
Governmental Affairs.....	2.2	14.4
Veterans.....	0.6	3.4
Other committees.....	0.7	6.3
Miscellaneous unspecified.....	0.6	3.0
Subtotal, Entitlement/mandatory/fees.....	9.6	109.6
TOTAL SPENDING.....	19.1	289.7
REVENUES:		
Finance (net).....	13.2	118.8
IRS enforcement initiative.....	3.0	9.4
Other committees.....	(*)	0.8
TOTAL REVENUES.....	16.3	129.0
UNSPECIFIED DEFICIT REDUCTION:		
Finance.....	2.0	20.0
NET INTEREST.....	1.4	63.3
TOTAL DEFICIT REDUCTION.....	40.0	502.0

(*) Less than \$50 million.

Details may not add to totals due to rounding.

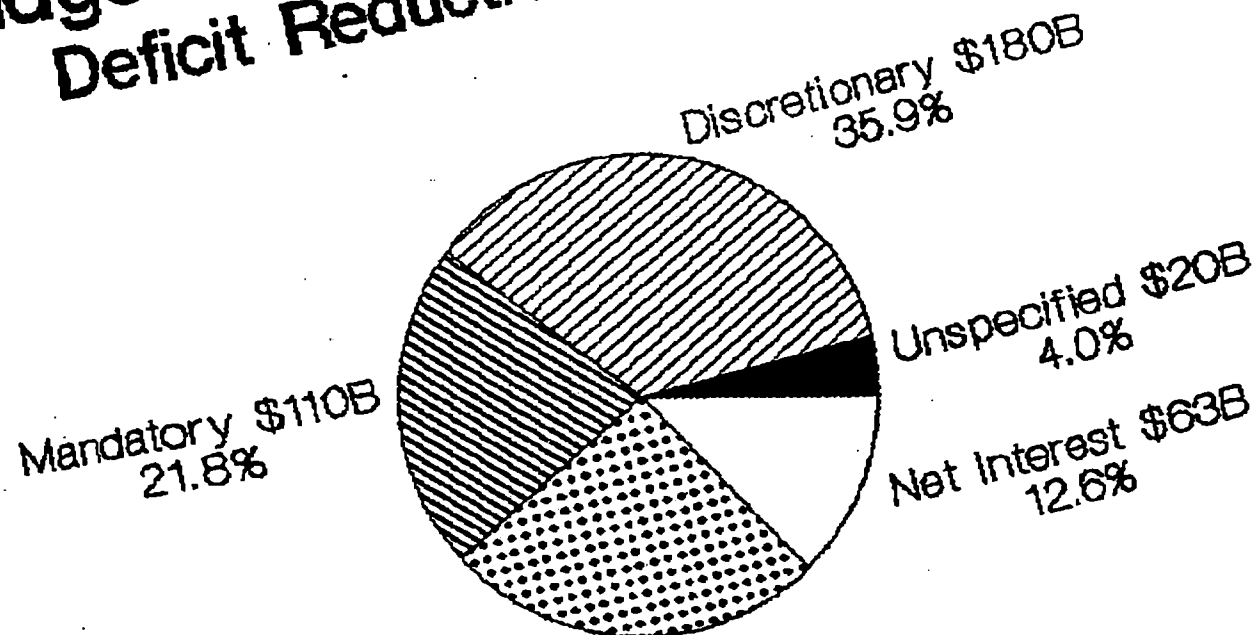
Discretionary savings not specified by category in 1994 and 1995.

Congressional Budget Office/Joint Committee on Taxation scoring.

Prepared by SBC Minority Staff, October 8, 1990.

Budget Resolution Conference

Deficit Reduction by Category



Total 1991-95
\$502 Billion

CONFERENCE AGREEMENT RECONCILIATION BY SENATE COMMITTEE
 (\$ millions)

		1991	5-Year
<u>Agriculture:</u>			
Unspecified Mandatory/Fees.....	O	1,000	13,473
<u>Banking:</u>			
Unspecified Mandatory/Fees.....	O	1,507	13,258
<u>Commerce:</u>			
Unspecified Mandatory/Fees.....	O	232	1,335
<u>Energy:</u>			
Unspecified Mandatory/Fees.....	O	38	354
<u>Environment:</u>			
Unspecified Mandatory/Fees.....	O	329	1,808
<u>Finance:</u>			
Unspecified Mandatory/Fees.....	O	3,015	55,883
Unspecified Revenues.....	REV	13,225	118,800
Unspecified Rev or Mandatory.....	DR	2,000	20,000
Subtotal, Finance.....	DR	18,240	194,683
<u>Government Affairs:</u>			
Unspecified Mandatory/Fees.....	O	2,165	14,350
<u>Judiciary:</u>			
Unspecified Mandatory/Fees.....	O	91	495
<u>Labor:</u>			
Unspecified Revenues.....	REV	45	840
Unspecified Mandatory/Fees.....	O	120	2,640
Subtotal, Labor.....	DR	165	3,480
<u>Veterans:</u>			
Unspecified Mandatory/Fees.....	O	620	3,350
TOTAL RECONCILED			
TO COMMITTEES.....	DR	24,307	245,206
IRS Enforcement.....	REV	5,037	9,376
Miscellaneous mandatory/fees.....	O	600	3,000
TOTAL.....	DR	27,944	258,582

NOTE 1: Savings that may result from action by more than one committee due to joint jurisdiction are counted only once in the total.
 NOTE 2: Outlays are specified as "O," revenues as "REV," and deficit reduction as "DR."