

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL
YEAR 1989

MAY 26, 1988.—Ordered to be printed

Mr. GRAY of Pennsylvania, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H. Con. Res. 268]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 268) setting forth the congressional budget for the United States Government for the fiscal years 1989, 1990, and 1991, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That the budget for fiscal year 1989 is established, and the appropriate budgetary levels for fiscal years 1990 and 1991 are hereby set forth.

MAXIMUM DEFICIT AMOUNTS

SEC. 2. The following levels and amounts in this section are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded, and as set forth in this concurrent resolution, shall be considered to be mathematically consistent with the other amounts and levels set forth in this concurrent resolution:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1989: \$964,400,000,000.

Fiscal year 1990: \$1,042,900,000,000.

Fiscal year 1991: \$1,123,000,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1989: \$1,231,700,000,000.

Fiscal year 1990: \$1,305,400,000,000.

Fiscal year 1991: \$1,389,500,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1989: \$1,099,700,000,000.

Fiscal year 1990: \$1,160,100,000,000.

Fiscal year 1991: \$1,218,300,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1989: \$135,300,000,000.

Fiscal year 1990: \$117,200,000,000.

Fiscal year 1991: \$95,300,000,000.

RECOMMENDED LEVELS AND AMOUNTS

SEC. 3. (a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1988, October 1, 1989, and October 1, 1990:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1989: \$705,900,000,000.

Fiscal year 1990: \$760,450,000,000.

Fiscal year 1991: \$817,000,000,000.

and the amounts by which the aggregate levels of Federal revenues should be reduced are as follows:

Fiscal year 1989: \$350,000,000.

Fiscal year 1990: \$500,000,000.

Fiscal year 1991: \$500,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1989: \$63,400,000,000.

Fiscal year 1990: \$68,150,000,000.

Fiscal year 1991: \$73,400,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1989: \$973,200,000,000.

Fiscal year 1990: \$1,022,900,000,000.

Fiscal year 1991: \$1,083,400,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1989: \$885,800,000,000.

Fiscal year 1990: \$934,900,000,000.

Fiscal year 1991: \$981,500,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1989: \$179,900,000,000.

Fiscal year 1990: \$174,450,000,000.

Fiscal year 1991: \$164,500,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1989: \$2,824,700,000,000.

Fiscal year 1990: \$3,066,900,000,000.

Fiscal year 1991: \$3,293,900,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1988, October 1, 1989, and October 1, 1990, are as follows:

Fiscal year 1989:

(A) New direct loan obligations, \$28,300,000,000.

(B) New primary loan guarantee commitments, \$110,950,000,000.

(C) New secondary loan guarantee commitments, \$93,050,000,000.

Fiscal year 1990:

(A) New direct loan obligations, \$27,000,000,000.

(B) New primary loan guarantee commitments, \$122,700,000,000.

(C) New secondary loan guarantee commitments, \$96,900,000,000.

Fiscal year 1991:

(A) New direct loan obligations, \$26,700,000,000.

(B) New primary loan guarantee commitments, \$132,200,000,000.

(C) New secondary loan guarantee commitments, \$100,800,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1989 through 1991 for each major functional category are:

(1) National Defense (050):

Fiscal year 1989:

(A) New budget authority, \$299,500,000,000.

(B) Outlays, \$294,000,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1990:

(A) New budget authority, \$312,900,000,000.

(B) Outlays, \$304,600,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1991:

(A) New budget authority, \$325,600,000,000.

(B) Outlays, \$316,600,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

(2) International Affairs (150):

Fiscal year 1989:

(A) New budget authority, \$16,600,000,000.

(B) Outlays, \$16,200,000,000.

(C) New direct loan obligations, \$5,950,000,000.

(D) New primary loan guarantee commitments, \$9,550,000,000.

(E) New secondary loan guarantee commitments, \$200,000,000.

Fiscal year 1990:

(A) New budget authority, \$17,600,000,000.

(B) Outlays, \$16,000,000,000.

(C) New direct loan obligations, \$6,050,000,000.

(D) New primary loan guarantee commitments, \$9,900,000,000.

(E) New secondary loan guarantee commitments, \$200,000,000.

Fiscal year 1991:

(A) New budget authority, \$17,500,000,000.

(B) Outlays, \$15,900,000,000.

(C) New direct loan obligations, \$6,150,000,000.

(D) New primary loan guarantee commitments, \$10,300,000,000.

(E) New secondary loan guarantee commitments, \$250,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1989:

(A) New budget authority, \$13,000,000,000.

(B) Outlays, \$12,600,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1990:

(A) New budget authority, \$13,500,000,000.

(B) Outlays, \$13,500,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1991:

(A) New budget authority, \$14,000,000,000.

(B) Outlays, \$13,900,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

(4) Energy (270):

Fiscal year 1989:

(A) New budget authority, \$4,800,000,000.

(B) Outlays, \$4,400,000,000.

(C) New direct loan obligations, \$2,000,000,000.

(D) New primary loan guarantee commitments, \$50,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1990:

(A) New budget authority, \$5,200,000,000.

(B) Outlays, \$4,100,000,000.

(C) New direct loan obligations, \$2,100,000,000.

(D) New primary loan guarantee commitments, \$50,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1991:

(A) New budget authority, \$5,000,000,000.

(B) Outlays, \$3,500,000,000.

(C) New direct loan obligations, \$2,250,000,000.

(D) New primary loan guarantee commitments, \$50,000,000.

(E) New secondary loan guarantee commitments, \$0.

(5) Natural Resources and Environment (300):

Fiscal year 1989:

(A) New budget authority, \$15,800,000,000.

(B) Outlays, \$16,300,000,000.

(C) New direct loan obligations, \$50,000,000.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1990:

(A) New budget authority, \$16,500,000,000.

(B) Outlays, \$17,000,000,000.

(C) New direct loan obligations, \$50,000,000.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1991:

(A) New budget authority, \$17,200,000,000.

(B) Outlays, \$17,300,000,000.

(C) New direct loan obligations, \$50,000,000.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

(6) Agriculture (350):

Fiscal year 1989:

(A) New budget authority, \$25,500,000,000.

(B) Outlays, \$21,600,000,000.

(C) New direct loan obligations, \$15,550,000,000.

(D) New primary loan guarantee commitments, \$6,700,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1990:

(A) New budget authority, \$24,300,000,000.

(B) Outlays, \$21,000,000,000.

(C) New direct loan obligations, \$14,100,000,000.

(D) New primary loan guarantee commitments, \$6,800,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1991:

(A) New budget authority, \$21,400,000,000.

(B) Outlays, \$19,100,000,000.

(C) New direct loan obligations, \$13,500,000,000.

(D) New primary loan guarantee commitments, \$6,850,000,000.

(E) New secondary loan guarantee commitments, \$0.

(7) Commerce and Housing Credit (370):

Fiscal year 1989:

(A) New budget authority, \$13,600,000,000.

(B) Outlays, \$9,300,000,000.

(C) New direct loan obligations, \$2,700,000,000.

(D) New primary loan guarantee commitments, \$64,050,000,000.

(E) New secondary loan guarantee commitments, \$92,850,000,000.

Fiscal year 1990:

(A) New budget authority, \$15,400,000,000.

(B) Outlays, \$8,400,000,000.

(C) New direct loan obligations, \$2,750,000,000.

(D) New primary loan guarantee commitments, \$67,050,000,000.

(E) New secondary loan guarantee commitments, \$96,700,000,000.

Fiscal year 1991:

(A) New budget authority, \$9,400,000,000.

(B) Outlays, \$3,900,000,000.

(C) New direct loan obligations, \$2,900,000,000.

(D) New primary loan guarantee commitments, \$73,800,000,000.

(E) New secondary loan guarantee commitments, \$100,550,000,000.

(8) Transportation (400):

Fiscal year 1989:

(A) New budget authority, \$28,600,000,000.

(B) Outlays, \$27,900,000,000.

(C) New direct loan obligations, \$50,000,000.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1990:

(A) New budget authority, \$29,100,000,000.

(B) Outlays, \$28,500,000,000.

(C) New direct loan obligations, \$50,000,000.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1991:

(A) New budget authority, \$29,900,000,000.

(B) Outlays, \$29,400,000,000.

(C) New direct loan obligations, \$50,000,000.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

(9) Community and Regional Development (450):

Fiscal year 1989:

(A) New budget authority, \$7,300,000,000.

(B) Outlays, \$6,600,000,000.

(C) New direct loan obligations, \$1,000,000,000.

(D) New primary loan guarantee commitments, \$250,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1990:

(A) New budget authority, \$7,100,000,000.

(B) Outlays, \$6,900,000,000.

(C) New direct loan obligations, \$1,050,000,000.

(D) New primary loan guarantee commitments, \$300,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1991:

(A) New budget authority, \$7,300,000,000.

(B) Outlays, \$6,500,000,000.

(C) New direct loan obligations, \$1,100,000,000.

(D) New primary loan guarantee commitments, \$300,000,000.

(E) New secondary loan guarantee commitments, \$0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1989:

(A) New budget authority, \$37,200,000,000.

(B) Outlays, \$35,400,000,000.

(C) New direct loan obligations, \$50,000,000.

(D) New primary loan guarantee commitments, \$10,400,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1990:

(A) New budget authority, \$38,600,000,000.

(B) Outlays, \$37,500,000,000.

(C) New direct loan obligations, \$50,000,000.

(D) New primary loan guarantee commitments, \$10,800,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1991:

(A) New budget authority, \$39,500,000,000.

(B) Outlays, \$38,500,000,000.

(C) New direct loan obligations, \$50,000,000.

(D) New primary loan guarantee commitments, \$10,800,000,000.

(E) New secondary loan guarantee commitments, \$0.

(11) Health (550):

Fiscal year 1989:

(A) New budget authority, \$49,800,000,000.

(B) Outlays, \$48,900,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$350,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1990:

(A) New budget authority, \$54,300,000,000.

(B) Outlays, \$54,100,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$350,000,000.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1991:

(A) New budget authority, \$59,400,000,000.

(B) Outlays, \$58,600,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$400,000,000.

(E) New secondary loan guarantee commitments, \$0.

(12) Medicare (570):

Fiscal year 1989:

(A) New budget authority, \$103,700,000,000.

(B) Outlays, \$86,900,000,000.

- (C) New direct loan obligations, \$0.
- (D) New primary loan guarantee commitments, \$0.
- (E) New secondary loan guarantee commitments, \$0.

Fiscal year 1990:

- (A) New budget authority, \$113,200,000,000.
- (B) Outlays, \$97,500,000,000.
- (C) New direct loan obligations, \$0.
- (D) New primary loan guarantee commitments, \$0.
- (E) New secondary loan guarantee commitments, \$0.

Fiscal year 1991:

- (A) New budget authority, \$124,100,000,000.
- (B) Outlays, \$108,400,000,000.
- (C) New direct loan obligations, \$0.
- (D) New primary loan guarantee commitments, \$0.
- (E) New secondary loan guarantee commitments, \$0.

(13) *Income Security (600):*

Fiscal year 1989:

- (A) New budget authority, \$176,500,000,000.
- (B) Outlays, \$138,100,000,000.
- (C) New direct loan obligations, \$0.
- (D) New primary loan guarantee commitments, \$0.
- (E) New secondary loan guarantee commitments, \$0.

Fiscal year 1990:

- (A) New budget authority, \$181,400,000,000.
- (B) Outlays, \$145,300,000,000.
- (C) New direct loan obligations, \$0.
- (D) New primary loan guarantee commitments, \$0.
- (E) New secondary loan guarantee commitments, \$0.

Fiscal year 1991:

- (A) New budget authority, \$213,300,000,000.
- (B) Outlays, \$152,400,000,000.
- (C) New direct loan obligations, \$0.
- (D) New primary loan guarantee commitments, \$0.
- (E) New secondary loan guarantee commitments, \$0.

(14) *Social Security (650):*

Fiscal year 1989:

- (A) New budget authority, \$5,300,000,000.
- (B) Outlays, \$5,300,000,000.
- (C) New direct loan obligations, \$0.
- (D) New primary loan guarantee commitments, \$0.
- (E) New secondary loan guarantee commitments, \$0.

Fiscal year 1990:

- (A) New budget authority, \$5,400,000,000.
- (B) Outlays, \$5,400,000,000.
- (C) New direct loan obligations, \$0.
- (D) New primary loan guarantee commitments, \$0.
- (E) New secondary loan guarantee commitments, \$0.

Fiscal year 1991:

- (A) New budget authority, \$4,300,000,000.
- (B) Outlays, \$4,300,000,000.
- (C) New direct loan obligations, \$0.
- (D) New primary loan guarantee commitments, \$0.
- (E) New secondary loan guarantee commitments, \$0.

(15) *Veterans Benefits and Services (700):*

*Fiscal year 1989:**(A) New budget authority, \$28,800,000,000.**(B) Outlays, \$28,400,000,000.**(C) New direct loan obligations, \$950,000,000.**(D) New primary loan guarantee commitments, \$19,600,000,000.**(E) New secondary loan guarantee commitments, \$0.**Fiscal year 1990:**(A) New budget authority, \$31,000,000,000.**(B) Outlays, \$30,000,000,000.**(C) New direct loan obligations, \$800,000,000.**(D) New primary loan guarantee commitments, \$27,450,000,000.**(E) New secondary loan guarantee commitments, \$0.**Fiscal year 1991:**(A) New budget authority, \$31,500,000,000.**(B) Outlays, \$30,600,000,000.**(C) New direct loan obligations, \$650,000,000.**(D) New primary loan guarantee commitments, \$29,700,000,000.**(E) New secondary loan guarantee commitments, \$0.**(16) Administration of Justice (750):**Fiscal year 1989:**(A) New budget authority, \$8,900,000,000.**(B) Outlays, \$8,700,000,000.**(C) New direct loan obligations, \$0.**(D) New primary loan guarantee commitments, \$0.**(E) New secondary loan guarantee commitments, \$0.**Fiscal year 1990:**(A) New budget authority, \$9,200,000,000.**(B) Outlays, \$9,100,000,000.**(C) New direct loan obligations, \$0.**(D) New primary loan guarantee commitments, \$0.**(E) New secondary loan guarantee commitments, \$0.**Fiscal year 1991:**(A) New budget authority, \$10,400,000,000.**(B) Outlays, \$10,300,000,000.**(C) New direct loan obligations, \$0.**(D) New primary loan guarantee commitments, \$0.**(E) New secondary loan guarantee commitments, \$0.**(17) General Government (800):**Fiscal year 1989:**(A) New budget authority, \$9,500,000,000.**(B) Outlays, \$9,400,000,000.**(C) New direct loan obligations, \$0.**(D) New primary loan guarantee commitments, \$0.**(E) New secondary loan guarantee commitments, \$0.**Fiscal year 1990:**(A) New budget authority, \$10,100,000,000.**(B) Outlays, \$10,200,000,000.**(C) New direct loan obligations, \$0.**(D) New primary loan guarantee commitments, \$0.**(E) New secondary loan guarantee commitments, \$0.**Fiscal year 1991:*

- (A) New budget authority, \$10,500,000,000.
 (B) Outlays, \$10,300,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
- (19) Net Interest (900):
 Fiscal year 1989:
 (A) New budget authority, \$161,700,000,000.
 (B) Outlays, \$161,700,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
- Fiscal year 1990:
 (A) New budget authority, \$171,700,000,000.
 (B) Outlays, \$171,700,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
- Fiscal year 1991:
 (A) New budget authority, \$177,000,000,000.
 (B) Outlays, \$177,000,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
- (20) Allowances (920):
 Fiscal year 1989:
 (A) New budget authority, \$0.
 (B) Outlays, \$0.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
- Fiscal year 1990:
 (A) New budget authority, \$0.
 (B) Outlays, \$0.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
- Fiscal year 1991:
 (A) New budget authority, \$0.
 (B) Outlays, \$0.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
- (21) Undistributed Offsetting Receipts (950):
 Fiscal year 1989:
 (A) New budget authority, -\$32,900,000,000.
 (B) Outlays, -\$45,900,000,000.
 (C) New direct loan obligations, \$0.
 (D) New primary loan guarantee commitments, \$0.
 (E) New secondary loan guarantee commitments, \$0.
- Fiscal year 1990:
 (A) New budget authority, -\$33,600,000,000.
 (B) Outlays, -\$45,900,000,000.
 (C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

Fiscal year 1991:

(A) New budget authority, —\$33,900,000,000.

(B) Outlays, —\$35,000,000,000.

(C) New direct loan obligations, \$0.

(D) New primary loan guarantee commitments, \$0.

(E) New secondary loan guarantee commitments, \$0.

SALE OF GOVERNMENT ASSETS

SEC. 4. (a) It is the sense of the Congress that—

(1) from time to time the United States Government should sell assets to nongovernment buyers; and

(2) the amounts realized from such asset sales will not recur on an annual basis and do not reduce the demand for credit.

(b) For purposes of allocations and points of order under section 302 of the Congressional Budget and Impoundment Control Act of 1974, the amounts realized from asset sales or prepayments of loans shall not be allocated to the committee and shall not be scored with respect to the level of budget authority or outlays under a committee's allocation under section 302 of such Act.

(c) For purposes of this section—

(1) the terms "asset sale" and "prepayment of a loan" shall have the same meaning as under section 257(12) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987); and

(2) the terms "asset sale" and "prepayment of a loan" do not include asset sales mandated by law before September 18, 1987, and routine, ongoing asset sales and loan prepayments at levels consistent with agency operations in fiscal year 1986.

FUNDING FOR THE WELFARE REFORM AND CATASTROPHIC INSURANCE INITIATIVES

SEC. 5. (a) In the Senate, budget authority and outlays for fiscal year 1988 or 1989 (or both) may be allocated to the Senate Committee on Finance to provide for the welfare reform and medicare catastrophic health insurance initiatives, and the aggregates for fiscal years 1989, 1990, and 1991 in sections 2 and 3 of this resolution may be adjusted accordingly, when the Committee on Finance, the committee of conference on the welfare reform initiative, or the committee of conference on the catastrophic insurance initiative reports legislation that will, if enacted, make funds available for such initiative and ensure, to the extent that such costs are not included in this resolution, that such legislation will not increase the deficit in this resolution for fiscal year 1988 or for fiscal year 1989, and will not increase the total deficit for the period of fiscal years 1988 through 1991.

(b) Upon the reporting of legislation pursuant to subsection (a), the chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this section. Such revised allo-

cations, functional levels, and aggregates shall be considered for the purposes of such Act as allocations, functional levels, and aggregates contained in this resolution, and the Committee on Finance shall report revised allocations pursuant to section 302(b) of such Act for the appropriate fiscal year (or years) to carry out this section.

FUNDING FOR ANTI-DRUG INITIATIVE

SEC. 6. (a) Budget authority and outlays in amounts not to exceed the amounts specified in subsection (a)(2) may be allocated to the appropriate committees of the House of Representatives and the Senate to provide for an anti-drug initiative, and the aggregates for fiscal year 1989 in this resolution may be adjusted accordingly, when—

(1) the appropriate committees of the House of Representatives or the Senate have reported legislation that will, if enacted, make funds available for such initiative; and

(2) the President and the Congress agree through the normal legislative process that a sufficiently dire state of emergency exists to justify specified spending levels different from those specified in the summit agreement between the President and the joint leadership of Congress (and carried out in this resolution) that do not increase the deficit for fiscal year 1989, 1990, or 1991 above the levels set forth in this resolution: Provided, That such agreed upon amounts for funding the anti-drug initiative for fiscal year 1989 shall not exceed \$2,600,000,000 of new budget authority and \$1,400,000,000 of outlays.

(b) Upon the reporting of legislation pursuant to subsection (a), the chairmen of the Committees on the Budget of the House of Representatives and Senate may file with the House of Representatives and the Senate, respectively, appropriately revised allocations under section 302(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this section. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of such Act as allocations, functional levels, and aggregates contained in this resolution, and the Committees on Appropriations of the House of Representatives and the Senate shall report revised allocations pursuant to section 302(b) of such Act for fiscal year 1989 to carry out this section.

SENSE OF CONGRESS REGARDING ANTI-DRUG PROGRAMS

SEC. 7. It is the sense of the Congress that antinarcotics activities, including law enforcement, drug interdiction, drug treatment, and substance abuse education, are vital to the Nation's future and should be among the top funding priorities in the fiscal year 1989 budget. All authorizing and Appropriations Committees and subcommittees are urged to examine programs within their jurisdictions to enhance their participation in the anti-drug effort and to give top priority to this effort in allocating their share of the funds available under this budget resolution.

SENSE OF CONGRESS REGARDING COAST GUARD DRUG INTERDICTION

SEC. 8. (a) The Congress finds that—

(1) the war against drugs is an ongoing effort that must be continually waged and that every effort to interdict the flow of

illegal substances into the United States should be pursued; and

(2) one of the most important lines of defense against the importation of illegal drugs into the United States is the Coast Guard, but because of its limited resources, the Coast Guard is unable to devote sufficient manpower and materials to carry out the war against drugs.

(b) It is the sense of the Congress that the authorizing committees of jurisdiction should consider whether it is appropriate to enact legislation providing that the private sector should be more fully utilized to perform nonemergency, nonessential Coast Guard functions, such as nonemergency towing, thereby allowing the Coast Guard to devote more resources to law enforcement, military readiness, and emergency search and rescue functions.

SENSE OF CONGRESS REGARDING FEDERAL TRUST FUNDS

SEC. 9. (a) The Congress finds that—

(1) under current law, neither the Senate nor the House may consider reductions in social security as part of a budget reconciliation bill or resolution pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985;

(2) current law requires a balanced budget by fiscal year 1993, but includes the projected social security surpluses as offsetting deficits; and

(3) current law requires the budget resolution to display budget authority, outlays, revenues, and the deficit excluding social security, in the aggregate and by function.

(b) It is the sense of the Congress that the National Economic Commission should—

(1) study the budgetary treatment of social security, airport and highway, military retirement, civil service retirement, unemployment and other trust funds and self-supporting public enterprise funds including Postal Service, Federal Deposit Insurance Corporation, Comptroller of the Currency, National Credit Union Administration, Federal Home Loan Bank Board, Federal Savings and Loan Insurance Corporation, and Securities and Exchange Commission;

(2) analyze the economic, budgetary, and programmatic effects of taking these funds off-budget;

(3) consider the effects of setting trust fund surpluses aside as additional savings, including effects on the national savings rate, investment, and economic growth, as well as on program beneficiaries;

(4) include in its final report a recommendation on the budgetary treatment of these funds; and

(5) report on the means to achieve a balance in the remaining budget and on the economic effects of a unified budget surplus.

And the Senate agree to the same.

**WILLIAM H. GRAY III,
THOMAS S. FOLEY,
MIKE LOWRY,
PAT WILLIAMS,
MARTIN FROST,**

CHARLES E. SCHUMER,
JIM SLATTERY,
CHESTER G. ATKINS,
FRANK GUARINI,
BILL GOODLING,
MICKEY EDWARDS,
WM. THOMAS,
Managers on the Part of the House.

LAWTON CHILES,
JIM SASSER,
DON RIEGLE,
J.J. EXON,
FRANK R. LAUTENBERG,
PETE V. DOMENICI,
RUDY BOSCHWITZ,
CHUCK GRASSLEY,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 268) setting forth the congressional budget for the United States Government for the fiscal years 1989, 1990, and 1991, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

EXPLANATION OF CONFERENCE AGREEMENT

The following tables show the functional allocations and budget aggregates included in the conference agreement. The fiscal year 1989 columns show the budget aggregates and functional allocations for the budget resolution for fiscal year 1989. The columns for fiscal year 1990 and fiscal year 1991 show budget aggregates and functional allocations which the conferees consider appropriate for those years.

Conference agreement

	<i>Billions</i>
Fiscal year 1989:	
Budget authority.....	\$1,231.70
Outlays.....	1,099.70
Revenues.....	964.40
Deficit.....	135.30
Debt subject to limit.....	2,824.70
Fiscal year 1990:	
Budget authority.....	1,305.40
Outlays.....	1,160.10
Revenues.....	1,042.90
Deficit.....	117.20
Debt subject to limit.....	3,066.90
Fiscal year 1991:	
Budget authority.....	1,389.50
Outlays.....	1,218.30
Revenues.....	1,123.00
Deficit.....	95.30
Debt subject to limit.....	3,293.90

CONFERENCE AGREEMENT BY FUNCTION

[In billions of dollars]

	1989	1990	1991
050 National Defense:			
Budget authority.....	\$299.50	\$312.90	\$325.60
Outlays.....	294.00	304.60	316.60
150 International Affairs:			
Budget authority.....	16.60	17.60	17.50
Outlays.....	16.20	16.00	15.90

CONFERENCE AGREEMENT BY FUNCTION—Continued

[In billions of dollars]

	1989	1990	1991
250 General Science, Space and Technology:			
Budget authority	13.00	13.50	14.00
Outlays	12.60	13.50	13.90
270 Energy:			
Budget authority	4.80	5.20	5.00
Outlays	4.40	4.10	3.50
300 Natural Resources and Environment:			
Budget authority	15.80	16.50	17.20
Outlays	16.30	17.00	17.30
350 Agriculture:			
Budget authority	25.50	24.30	21.40
Outlays	21.60	21.00	19.10
370 Commerce and Housing Credit:			
Budget authority	13.60	15.40	9.40
Outlays	9.30	8.40	3.90
400 Transportation:			
Budget authority	28.60	29.10	29.90
Outlays	27.90	28.50	29.40
450 Community and Regional Development:			
Budget authority	7.30	7.10	7.30
Outlays	6.60	6.90	6.50
500 Education, Training, Employment and Social Services:			
Budget authority	37.20	38.60	39.50
Outlays	35.40	37.50	38.50
550 Health:			
Budget authority	49.80	54.30	59.40
Outlays	48.90	54.10	58.60
570 Medicare:			
Budget authority	103.70	113.20	124.10
Outlays	86.90	97.50	108.40
600 Income Security:			
Budget authority	176.50	181.40	213.30
Outlays	138.10	145.30	152.40
650 Social Security:			
Budget authority	278.10	306.30	332.80
Outlays	233.50	249.00	263.50
700 Veterans Benefits and Services:			
Budget authority	28.80	31.00	31.50
Outlays	28.40	30.00	30.60
750 Administration of Justice:			
Budget authority	8.90	9.20	10.40
Outlays	8.70	9.10	10.30
800 General Government:			
Budget authority	9.50	10.10	10.50
Outlays	9.40	10.20	10.30
900 Net Interest:			
Budget authority	152.00	158.50	160.30
Outlays	152.00	158.50	160.30
920 Allowances:			
Budget authority	0	0	0
Outlays	0	0	0
950 Undistributed Offsetting Receipts:			
Budget authority	-37.50	-38.80	-39.60
Outlays	-50.50	-51.10	-40.70

HOUSE-PASSED BUDGET RESOLUTION

[In billions of dollars]

	1989	1990	1991
050 National Defense:			
Budget authority	\$299.50	\$313.10	\$325.80
Outlays.....	294.00	302.75	314.65
150 International Affairs:			
Budget authority	16.60	17.50	17.80
Outlays.....	16.20	16.10	16.05
250 General Science, Space and Technology:			
Budget authority	12.45	13.00	13.50
Outlays.....	12.20	13.00	13.40
270 Energy:			
Budget authority	4.80	5.20	5.00
Outlays.....	4.35	4.05	3.55
300 Natural Resources and Environment:			
Budget authority	15.05	15.80	16.45
Outlays.....	15.60	16.20	16.45
350 Agriculture:			
Budget authority	26.40	25.25	22.35
Outlays.....	22.40	21.90	20.05
370 Commerce and Housing Credit:			
Budget authority	13.75	15.60	9.55
Outlays.....	9.40	8.55	4.05
400 Transportation:			
Budget authority	28.95	29.55	30.25
Outlays.....	27.95	28.55	29.55
450 Community and Regional Development:			
Budget authority	7.55	7.30	7.50
Outlays.....	6.60	7.00	6.70
500 Education, Training, Employment and Social Services:			
Budget authority	37.55	38.85	39.75
Outlays.....	35.45	37.70	38.80
550 Health:			
Budget authority	49.65	54.15	59.20
Outlays.....	48.70	53.90	58.40
570 Medicare:			
Budget authority	103.75	113.20	124.15
Outlays.....	86.85	97.50	108.45
600 Income Security:			
Budget authority	176.60	181.20	213.20
Outlays.....	137.70	144.65	151.80
650 Social Security:			
Budget authority	278.10	306.25	332.85
Outlays.....	233.40	248.90	263.40
700 Veterans Benefits and Services:			
Budget authority	28.70	30.90	31.35
Outlays.....	28.25	29.85	30.45
750 Administration of Justice:			
Budget authority	8.85	9.15	10.30
Outlays.....	8.55	9.05	10.25
800 General Government:			
Budget authority	9.65	10.15	10.60
Outlays.....	9.35	10.20	10.25
900 Net Interest:			
Budget authority	151.95	158.35	159.95
Outlays.....	151.95	158.35	159.95
920 Allowances:			
Budget authority	0	0	0
Outlays.....	0	0	0
950 Undistributed Offsetting Receipts:			
Budget authority	-37.75	-38.65	-40.35
Outlays.....	-50.70	-51.05	-40.50

SENATE-PASSED BUDGET RESOLUTION

[In millions of dollars]

	1989	1990	1991
050 National Defense:			
Budget authority	\$299.50	\$312.30	\$325.00
Outlays	294.00	304.20	316.00
150 International Affairs:			
Budget authority	16.60	17.70	17.20
Outlays	16.20	16.00	15.80
250 General Science, Space and Technology:			
Budget authority	13.40	14.00	14.50
Outlays	13.00	13.90	14.40
270 Energy:			
Budget authority	4.90	5.40	5.20
Outlays	4.20	4.30	3.70
300 Natural Resources and Environment:			
Budget authority	14.60	15.20	15.90
Outlays	14.90	15.50	15.80
350 Agriculture:			
Budget authority	27.00	25.20	22.20
Outlays	23.20	21.90	19.90
370 Commerce and Housing Credit:			
Budget authority	13.50	15.10	9.00
Outlays	9.10	8.10	3.60
400 Transportation:			
Budget authority	28.40	29.90	29.60
Outlays	27.90	28.90	30.00
450 Community and Development:			
Budget authority	7.10	6.90	7.10
Outlays	6.50	6.80	6.40
500 Education, Training, Employment and Social Services:			
Budget authority	36.60	37.90	38.70
Outlays	35.30	36.80	37.80
550 Health:			
Budget authority	49.90	54.40	59.50
Outlays	48.90	54.20	58.70
570 Medicare:			
Budget authority	103.70	113.20	124.10
Outlays	86.90	97.50	108.50
600 Income Security:			
Budget authority	176.20	181.00	213.00
Outlays	138.30	145.30	152.40
650 Social Security:			
Budget authority	278.10	306.30	332.80
Outlays	233.50	249.00	263.50
700 Veterans Benefits and Services:			
Budget authority	28.80	30.90	31.40
Outlays	28.40	29.90	30.50
750 Administration of Justice:			
Budget authority	9.00	9.10	10.30
Outlays	9.00	9.10	10.20
800 General Government:			
Budget authority	9.525	10.10	10.60
Outlays	9.425	10.20	10.20
900 Net Interest:			
Budget authority	151.90	158.50	160.10
Outlays	151.90	158.50	160.10
920 Allowances:			
Budget authority	-.125	0	0
Outlays	-.125	0	0
950 Undistributed Offsetting Receipts:			
Budget authority	-37.60	-39.30	-41.20
Outlays	-49.90	-52.00	-41.80

CONFERENCE AGREEMENT TOTAL BUDGET

[In billions of dollars]

	1989	1990	1991
Budget authority	\$1,231.70	\$1,305.40	\$1,389.50
Outlays	1,099.70	1,160.10	1,218.30
Revenues	964.40	1,042.90	1,123.00
Deficit	135.30	117.20	95.30
050 National Defense:			
Budget authority	299.50	312.90	325.60
Outlays	294.00	304.60	316.60
150 International Affairs:			
Budget authority	16.60	17.60	17.50
Outlays	16.20	16.00	15.90
250 General Science, Space and Technology:			
Budget authority	13.00	13.50	14.00
Outlays	12.60	13.50	13.90
270 Energy:			
Budget authority	4.80	5.20	5.00
Outlays	4.40	4.10	3.50
300 Natural Resources and Environment:			
Budget authority	15.80	16.50	17.20
Outlays	16.30	17.00	17.30
350 Agriculture:			
Budget authority	25.50	24.30	21.40
Outlays	21.60	21.00	19.10
370 Commerce and Housing-Credit:			
Budget authority	13.60	15.40	9.40
Outlays	9.30	8.40	3.90
400 Transportation:			
Budget authority	28.60	29.10	29.90
Outlays	27.90	28.50	29.40
450 Community and Regional Development:			
Budget authority	7.30	7.10	7.30
Outlays	6.60	6.90	6.50
500 Education, Training, Employment and Social Services:			
Budget authority	37.20	38.60	39.50
Outlays	35.40	37.50	38.50
550 Health:			
Budget authority	49.80	54.30	59.40
Outlays	48.90	54.10	58.60
570 Medicare:			
Budget authority	103.70	113.20	124.10
Outlays	86.90	97.50	108.40
600 Income Security:			
Budget authority	176.50	181.40	213.30
Outlays	138.10	145.30	152.40
650 Social Security:			
Budget authority	278.10	306.30	332.80
Outlays	233.50	249.00	263.50
700 Veterans Benefits and Services:			
Budget authority	28.80	31.00	31.50
Outlays	28.40	30.00	30.60
750 Administration of Justice:			
Budget authority	8.90	9.20	10.40
Outlays	8.70	9.10	10.30
800 General Government:			
Budget authority	9.50	10.10	10.50
Outlays	9.40	10.20	10.30
900 Net Interest:			
Budget authority	152.00	158.50	160.30
Outlays	152.00	158.50	160.30
920 Allowances:			
Budget authority	0	0	0

CONFERENCE AGREEMENT TOTAL BUDGET—Continued

[In billions of dollars]

	1989	1990	1991
Outlays.....	0	0	0
950 Undistributed Offsetting Receipts:			
Budget authority.....	-37.50	-38.80	-39.60
Outlays.....	-50.50	-51.10	-40.70

CONFERENCE AGREEMENT OFF-BUDGET

[In billions of dollars]

	1989	1990	1991
Budget authority.....	\$258.50	\$282.50	\$306.10
Outlays.....	213.90	225.20	236.80
Revenues.....	258.50	282.45	306.00
Deficit.....	44.60	57.25	69.20
050 National Defense:			
Budget authority.....			
Outlays.....			
150 International Affairs:			
Budget authority.....			
Outlays.....			
250 General Science, Space and Technology:			
Budget authority.....			
Outlays.....			
270 Energy:			
Budget authority.....			
Outlays.....			
300 Natural Resources and Environment:			
Budget authority.....			
Outlays.....			
350 Agriculture:			
Budget authority.....			
Outlays.....			
370 Commerce and Housing Credit:			
Budget authority.....			
Outlays.....			
400 Transportation:			
Budget authority.....			
Outlays.....			
450 Community and Regional Development:			
Budget authority.....			
Outlays.....			
500 Education, Training, Employment and Social Services:			
Budget authority.....			
Outlays.....			
550 Health:			
Budget authority.....			
Outlays.....			
570 Medicare:			
Budget authority.....			
Outlays.....			
600 Income Security:			
Budget authority.....			
Outlays.....			
650 Social Security:			
Budget authority.....	272.80	300.90	328.50
Outlays.....	228.20	243.60	259.20
700 Veterans Benefits and Services:			
Budget authority.....			

CONFERENCE AGREEMENT OFF-BUDGET—Continued

[In billions of dollars]

	1989	1990	1991
Outlays.....			
750 Administration of Justice:			
Budget authority.....			
Outlays.....			
800 General Government:			
Budget authority.....			
Outlays.....			
900 Net Interest:			
Budget authority.....	-9.70	-13.20	-16.70
Outlays.....	-9.70	-13.20	-16.70
920 Allowances:			
Budget authority.....			
Outlays.....			
950 Undistributed Offsetting Receipts:			
Budget authority.....	-4.60	-5.20	-5.70
Outlays.....	-4.60	-5.20	-5.70

CONFERENCE AGREEMENT ON-BUDGET ONLY

[in billions of dollars]

	1989	1990	1991
Budget authority.....	\$973.20	\$1,022.90	\$1,083.40
Outlays.....	885.80	934.90	981.50
Revenues.....	705.90	760.45	817.00
Deficit.....	179.90	174.45	164.50
050 National Defense:			
Budget authority.....	299.50	312.90	325.60
Outlays.....	294.00	304.60	316.60
150 International Affairs:			
Budget authority.....	16.60	17.60	17.50
Outlays.....	16.20	16.00	15.90
250 General Science, Space and Technology:			
Budget authority.....	13.00	13.50	14.00
Outlays.....	12.60	13.50	13.90
270 Energy:			
Budget authority.....	4.80	5.20	5.00
Outlays.....	4.40	4.10	3.50
300 Natural Resources and Environment:			
Budget authority.....	15.80	16.50	17.20
Outlays.....	16.30	17.00	17.30
350 Agriculture:			
Budget authority.....	25.50	24.30	21.40
Outlays.....	21.60	21.00	19.10
370 Commerce and Housing Credit:			
Budget authority.....	13.60	15.40	9.40
Outlays.....	9.30	8.40	3.90
400 Transportation:			
Budget authority.....	28.60	29.10	29.90
Outlays.....	27.90	28.50	29.40
450 Community and Regional Development:			
Budget authority.....	7.30	7.10	7.30
Outlays.....	6.60	6.90	6.50
500 Education, Training, Employment and Social Services:			
Budget authority.....	37.20	38.60	39.50
Outlays.....	35.40	37.50	38.50
550 Health:			
Budget authority.....	49.80	54.30	59.40

CONFERENCE AGREEMENT ON-BUDGET ONLY—Continued

[in billions of dollars]

	1989	1990	1991
Outlays.....	48.90	54.10	58.60
570 Medicare:			
Budget authority.....	103.70	113.20	124.10
Outlays.....	86.90	97.50	108.40
600 Income Security:			
Budget authority.....	176.50	181.40	213.30
Outlays.....	138.10	145.30	152.40
650 Social Security:			
Budget authority.....	5.30	5.40	4.30
Outlays.....	5.30	5.40	4.30
700 Veterans Benefits and Services:			
Budget authority.....	28.80	31.00	31.50
Outlays.....	28.40	30.00	30.60
750 Administration of Justice:			
Budget authority.....	8.90	9.20	10.40
Outlays.....	8.70	9.10	10.30
800 General Government:			
Budget authority.....	9.50	10.10	10.50
Outlays.....	9.40	10.20	10.30
900 Net Interest:			
Budget authority.....	161.70	171.70	177.00
Outlays.....	161.70	171.70	177.00
920 Allowances:			
Budget authority.....	0	0	0
Outlays.....	0	0	0
950 Undistributed Offsetting Receipts:			
Budget authority.....	-32.90	-33.60	-33.90
Outlays.....	-45.90	-45.90	-35.00

CREDIT SUMMARY

[In billions of dollars]

	House	Senate	Conference
FISCAL YEAR 1989			
Function 150:			
Direct loans.....	\$5.55	\$5.90	\$5.95
Primary guarantees.....	9.50	9.50	9.55
Secondary guarantees.....	NA	0	.20
Function 270:			
Direct loans.....	2.00	2.00	2.00
Primary guarantees.....	.05	0	.05
Function 300:			
Direct loans.....	.05	.10	.05
Primary guarantees.....	0	0	0
Function 350:			
Direct loans.....	15.55	15.60	15.55
Primary guarantees.....	7.50	6.70	6.70
Function 370:			
Direct loans.....	2.75	2.70	2.70
Primary guarantees.....	64.05	63.70	64.05
Secondary guarantees.....	NA	92.85	92.85
Function 400:			
Direct loans.....	.05	0	.05
Primary guarantees.....	0	0	0
Function 450:			
Direct loans.....	1.05	1.00	1.00
Primary guarantees.....	.30	.30	.25

CREDIT SUMMARY—Continued

[In billions of dollars]

	House	Senate	Conference
Function 500:			
Direct loans.....	.05	.10	.05
Primary guarantees.....	10.40	10.40	10.40
Function 550:			
Direct loans.....	0	0	0
Primary guarantees.....	.35	.40	.35
Function 600:			
Direct loans.....	0	0	0
Primary guarantees.....	0	0	0
Function 700:			
Direct loans.....	.95	.90	.95
Primary guarantees.....	19.60	19.60	19.60
Total:			
Direct loans.....	28.00	28.30	28.30
Primary guarantees.....	111.30	110.60	110.95
Secondary guarantees.....	NA	92.85	93.05

FISCAL YEAR 1990

Function 150:			
Direct loans.....	5.80	6.00	6.05
Primary guarantees.....	9.85	9.90	9.90
Secondary guarantees.....	NA	0	.20
Function 270:			
Direct loans.....	2.10	2.10	2.10
Primary guarantees.....	.05	0	.05
Function 300:			
Direct loans.....	.05	.10	.05
Primary guarantees.....	0	0	0
Function 350:			
Direct loans.....	14.10	14.20	14.10
Primary guarantees.....	7.15	6.80	6.80
Function 370:			
Direct loans.....	2.80	2.70	2.75
Primary guarantees.....	67.00	67.20	67.05
Secondary guarantees.....	0	0	96.70
Function 400:			
Direct loans.....	.05	0	.05
Primary guarantees.....	0	0	0
Function 450:			
Direct loans.....	1.10	1.10	1.05
Primary guarantees.....	.30	.30	.30
Function 500:			
Direct loans.....	.05	.10	.05
Primary guarantees.....	10.80	10.80	10.80
Function 550:			
Direct loans.....	0	0	0
Primary guarantees.....	.35	.40	.35
Function 600:			
Direct loans.....	0	0	0
Primary guarantees.....	0	0	0
Function 700:			
Direct loans.....	.80	.80	.80
Primary guarantees.....	27.45	27.50	27.45
Total:			
Direct loans.....	26.85	27.10	27.00
Primary guarantees.....	122.95	122.90	122.70
Secondary guarantees.....	NA	0	96.90

CREDIT SUMMARY—Continued

[In billions of dollars]

	House	Senate	Conference
FISCAL YEAR 1991			
Function 150:			
Direct loans.....	6.00	6.10	6.15
Primary guarantees.....	10.25	10.30	10.30
Secondary guarantees.....	NA	0	.25
Function 270:			
Direct loans.....	2.25	2.30	2.25
Primary guarantees.....	.05	.10	.05
Function 300:			
Direct loans.....	.05	.10	.05
Primary guarantees.....	0	0	0
Function 350:			
Direct loans.....	13.50	13.60	13.50
Primary guarantees.....	7.20	6.90	6.85
Function 370:			
Direct loans.....	2.95	2.80	2.90
Primary guarantees.....	73.80	74.00	73.80
Secondary guarantees.....	NA	0	100.55
Function 400:			
Direct loans.....	.05	0	.05
Primary guarantees.....	0	0	0
Function 450:			
Direct loans.....	1.15	1.10	1.10
Primary guarantees.....	.30	.30	.30
Function 500:			
Direct loans.....	.05	.10	.05
Primary guarantees.....	10.80	10.80	10.80
Function 550:			
Direct loans.....	0	0	0
Primary guarantees.....	.40	.40	.40
Function 600:			
Direct loans.....	0	0	0
Primary guarantees.....	0	0	0
Function 700:			
Direct loans.....	.65	.70	.65
Primary guarantees.....	29.70	29.70	29.70
Total:			
Direct loans.....	26.65	26.80	26.70
Primary guarantees.....	132.50	132.50	132.20
Secondary guarantees.....	NA	0	100.80

ECONOMIC ASSUMPTIONS

The Conferees accepted the economic assumptions used in the President's budget and both the House- and Senate-passed resolutions as the basis for the budget estimates. These economic assumptions are shown in the table below. Rates of change have been adjusted to reflect revisions in economic data for 1987.

[Calendar years]

	Actual 1987	1988	1989	1990	1991
Annual averages:					
Gross national product (billions).....	\$4,488	\$4,779	\$5,113	\$5,481	\$5,850

[Calendar years]

	Actual 1987	1988	1989	1990	1991
Percent change.....	6.0	6.5	7.0	7.2	6.7
Real GNP (billions 1982).....	\$3,821	\$3,932	\$4,054	\$4,196	\$4,340
Percent change.....	2.9	2.9	3.1	3.5	3.4
GNP deflator (percent change).....	3.0	3.5	3.8	3.6	3.2
Consumer Price Index (percent change).....	3.7	4.3	4.1	3.6	3.2
Civilian unemployment rate (percent).....	6.2	5.9	5.7	5.5	5.4
3-mo Treasury bill rate (percent).....	5.8	5.3	5.2	5.0	4.5
10-yr Treasury note rate (percent).....	8.4	8.0	7.4	6.8	6.0
Taxable incomes (billions):					
Wages and salaries.....	\$2,213	\$2,344	\$2,502	\$2,676	\$2,858
Corporate profits before tax.....	\$274	\$310	\$353	\$406	\$448
4th quarter to 4th quarter (percent change):					
Gross national product.....	7.4	6.2	7.3	7.1	6.5
Real GNP.....	4.0	2.2	3.5	3.5	3.4
GNP deflator.....	3.3	3.9	3.7	3.5	3.0
Consumer Price Index.....	4.5	4.3	3.9	3.5	3.0
Civilian unemployment rate (percent, 4th quarter level).....	5.9	5.9	5.6	5.5	5.4

FUNCTION 050

The House-passed, Senate amendment, and conference agreement all include \$299.50 billion in budget authority and \$294.00 billion in outlays as set forth in the Bipartisan Summit agreement between the President and the Joint Leadership of Congress.

The conferees continue to be concerned about the decline in U.S. competitiveness in the production of semiconductor chips. The conferees believe that a viable U.S. semiconductor industry is essential to support the critical national economic and defense requirements of the United States. The conferees note that legislation was enacted at the end of last year which provided fiscal year 1988 Federal funding of \$100 million for SEMATECH, the industry's new semiconductor research and development consortium aimed at assuring manufacturing excellence in the U.S. semiconductor industry. This was to be the beginning of a five-year Federal program; Federal funding would be provided on a 50-50 matching basis with domestic industry, with the Federal contribution projected at \$100 million per year. The President, however, recommended only \$44.8 million in his fiscal year 1988 Budget for SEMATECH. The conferees believe that the additional \$55.2 million is needed to support the SEMATECH program, especially in the critical early years. The conference agreement, therefore, assumes that within the totals in this resolution, \$100 million in funding should be made available for the purposes of assisting the U.S. semiconductor industry in its start-up efforts to develop new and advanced semiconductor technologies.

The conference agreement also assumes that within the funds available in this function, funding will be made available sufficient to pursue a vigorous Defense Waste and Transportation Management Program to provide for the cleanup, interim storage, transportation and disposal of radioactive and hazardous wastes at the several affected sites (including Hanford and Savannah River among others).

FUNCTION 150

The House-passed, Senate amendment, and conference agreement all include \$16.60 billion in budget authority and \$16.20 billion in outlays. This agreement conforms to the Summit agreement between the President and the Joint Leadership of Congress which set discretionary spending levels of \$18.10 billion in budget authority and \$16.10 billion in outlays.

FUNCTION 250

The House-passed resolution included \$12.45 billion in budget authority and \$12.20 billion in outlays. The Senate amendment included \$13.40 billion in budget authority and \$13.00 billion in outlays. The conference agreement includes \$13.00 billion in budget authority and \$12.60 billion in outlays.

Within these totals, the conferees assume a split between the House and the Senate assumed levels of funding for the Department of Energy's Superconducting Super Collider (SSC), and full funding for the National Science Foundation's (NSF) proposed research and education programs.

The conferees believe that the National Academy of Science, acting jointly with the National Academy of Engineering and the Institute of Medicine, should provide advice on developing an appropriate institutional framework and information base for conducting cross-program development and review of the Nation's research and development programs. This should be structured in such a way that it can be used by both the Executive Branch and Congress as a method for reviewing program contents and strategies and in determining funding and organizational priorities for science and technology.

FUNCTION 270

The House-passed resolution included \$4.80 billion in budget authority and \$4.35 billion in outlays. The Senate amendment assumed \$4.90 billion in budget authority and \$4.20 billion in outlays. The conference agreement include \$4.80 billion in budget authority and \$4.40 billion in outlays.

The conferees believe that the funding assumed in this function should be sufficient to support a strong national R&D program in energy conservation and variety of energy resources including basic coal sciences, magnetohydrodynamics (MHD) and solar, among others.

The conferees also are concerned that the Department of Energy's (DOE) natural gas and petroleum research and development programs have not been adequately funded in the past. In its February 1987 report, the DOE Energy-Research Advisory Board (ERAB) recommended significant funding increases for gas and oil-related geosciences R&D in order to increase the availability of domestic gas and oil and to reduce our dependence on imported oil. The conferees encourage the committees of jurisdiction to provide a funding level for gas and oil exploration and recovery R&D that more accurately reflects the importance of these fuel sources. The conferees also believe that a Geosciences Institute for oil and gas,

as well as a National Laboratory Coal Science Consortium could be accommodated within these totals.

The conferees do not assume the privatization of the Federal Power Marketing Administrations, including the Bonneville, Western Area, Southeastern, and Southwestern Power Administrations as well as the Tennessee Valley Authority and further assume that no funds will be provided to solicit proposals or carry out activities to implement privatization. The conferees do not assume the sale of the Naval Petroleum Reserves.

FUNCTION 300

The House-passed resolution included \$15.05 billion in budget authority and \$15.60 billion in outlays. The Senate amendment included \$14.60 billion in budget authority and \$14.90 billion in outlays. The conference agreement includes \$15.80 billion in budget authority and \$16.30 billion in outlays.

FUNCTION 350

The House-passed resolution included \$26.40 billion in budget authority and \$22.40 billion in outlays. The Senate amendment included \$27.00 billion in budget authority and \$23.20 billion in outlays. The conference agreement includes \$25.50 billion in budget authority and \$21.60 billion in outlays.

The conference agreement is above both the House and Senate levels in Function 300 and below in Function 350. However, the conferees note that this merely reflects the decision that a greater share of the Conservation Reserve be funded from appropriations in Function 300 and a lesser share from PIK certificates (through the Commodity Credit Corporation) in Function 350. This functional shift is not intended to alter eligibility for or participation in the program.

FUNCTION 370

The House-passed resolution included \$13.75 billion in budget authority and \$9.40 billion in outlays. The Senate amendment included \$13.50 billion in budget authority and \$9.10 billion in outlays. The conference agreement includes \$13.60 billion in budget authority and \$9.30 billion in outlays.

The conferees assume that the appropriations for revenue foregone for the Postal Service are fully adequate to preserve the subsidy level currently in effect.

FUNCTION 400

The House-passed resolution included \$28.95 billion in budget authority and \$27.95 billion in outlays. The Senate amendment included \$28.40 billion in budget authority and \$27.90 billion in outlays. The conference agreement includes \$28.60 billion in budget authority and \$27.90 billion in outlays.

The conferees assume that, within amounts provided by the conference funding levels for Function 400, serious consideration be given to using available funds for the airport and airway improvement program to provide for critical capacity expansion projects

with national significance, such as the new airport in Denver, Colorado.

The conferees assume that funding for the Coast Guard in Function 400 can be sufficient to allow the reopening and full operation of any stations closed as a result of the fiscal year 1988 appropriation, as deemed necessary by the Coast Guard.

FUNCTION 450

The House-passed resolution included \$7.55 billion in budget authority and \$6.60 billion in outlays. The Senate amendment included \$7.10 billion in budget authority and \$6.50 billion in outlays. The conference agreement includes \$7.30 billion in budget authority and \$6.60 billion in outlays.

FUNCTION 500

The House-passed resolution included \$37.55 billion in budget authority and \$35.45 billion in outlays. The Senate amendment included \$36.60 billion in budget authority and \$35.30 billion in outlays. The conference agreement includes \$37.20 billion in budget authority and \$35.40 billion in outlays.

FUNCTION 550

The House-passed resolution included \$49.65 billion in budget authority and \$48.70 billion in outlays. The Senate amendment included \$49.90 billion in budget authority and \$48.90 billion in outlays. The conference agreement includes \$49.80 billion in budget authority and \$48.90 billion in outlays. The House recedes to the higher Senate figure for medicaid, rejecting the medicaid regulatory savings assumed in the House-passed resolution. The conference agreement assumes enactment of legislation to broaden medicaid coverage for pregnant women and children, to protect families during a period of welfare to work transition, and to protect low-income elderly against spousal impoverishment and medicare cost-sharing amounts.

FUNCTION 570

The House-passed resolution included \$103.75 billion in budget authority and \$86.85 billion in outlays. The Senate amendment included \$103.70 billion in budget authority and \$86.90 billion in outlays. The conference agreement includes \$103.70 billion in budget authority and \$86.90 billion in outlays.

FUNCTION 600

The House-passed resolution included \$176.60 billion in budget authority and \$137.70 billion in outlays. The Senate amendment included \$176.20 billion in budget authority and \$138.30 billion in outlays. The conference agreement includes \$176.50 billion in budget authority and \$138.10 billion in outlays. The conference agreement includes \$275 million in entitlement authority (budget authority and outlays) for expanded nutrition assistance.

The conference agreement assumes \$275 million in additional entitlement authority for expanded nutrition assistance in this function for fiscal year 1989 and \$525 million in fiscal year 1990 and

\$575 million in fiscal year 1991. The intent is to provide these additional resources to nutrition programs, including food stamps, that are highly targeted to low-income populations, particularly children and families.

FUNCTION 650

The House-passed resolution included \$278.10 billion in budget authority and \$233.40 billion in outlays. The Senate amendment included \$278.10 billion in budget authority and \$233.50 billion in outlays. The conference agreement includes \$278.10 billion in budget authority and \$233.50 billion in outlays.

The conferees are concerned that Social Security programs should be administered in a manner to assure that beneficiary inquiries and claims are efficiently and appropriately processed. The conferees assume that funds will be provided to assure staff levels that are sufficient to achieve these goals. This may require an increase over the staffing levels proposed in the Fiscal Year 1989 President's Budget.

FUNCTION 700

The House-passed resolution included \$28.70 billion in budget authority and \$28.25 billion in outlays. The Senate amendment included \$28.80 billion in budget authority and \$28.40 billion in outlays. The conference agreement includes \$28.80 billion in budget authority and \$28.40 billion in outlays.

The conferees encourage the appropriate committees to carefully consider the priorities established by the Veterans' Affairs Committee with regard to veterans' medical care and medical facility construction, such as the Spinal Cord Injury Center in Dallas, Texas, the psychiatric facility and Spinal Cord Injury Center in Gainesville, Florida, and nursing home units in Tampa and Lake City, Florida.

FUNCTION 750

The House-passed resolution included \$8.85 billion in budget authority and \$8.55 billion in outlays. The Senate amendment included \$9.00 billion in budget authority and \$9.00 billion in outlays. The conference agreement includes \$8.90 billion in budget authority and \$8.70 billion in outlays.

FUNCTION 800

The House-passed resolution included \$9.65 billion in budget authority and \$9.35 billion in outlays. The Senate amendment included \$9.525 billion in budget authority and \$9.425 billion in outlays. The conference agreement includes \$9.50 billion in budget authority and \$9.40 billion in outlays.

FUNCTION 920

The House-passed resolution included no budget authority and no outlays. The Senate amendment included \$-0.125 billion in budget authority and \$-0.125 billion in outlays. The conference agreement includes no budget authority and no outlays.

FUNCTION 950

The House-passed resolution included \$-37.75 billion in budget authority and \$-50.70 billion in outlays. The Senate amendment included \$-37.60 billion in budget authority and \$-49.90 billion in outlays. The conference agreement includes \$-37.50 billion in budget authority and \$-50.50 billion in outlays. Relative to the House-passed resolution, this includes the following changes: \$4.2 billion in unspecified asset sales; no funding is assumed to be derived from rescissions or transfers of existing budget authority; and unspecified new entitlement authority of \$125 million in fiscal year 1989, \$325 million in fiscal year 1990, and \$350 million in fiscal year 1991 is assumed for programs in Functions 500, 550, and 600.

With respect to the Federal pay raise issue, the conference agreement assumes amounts consistent with a military and civilian pay raise of four percent, effective in January 1989. The conferees recognize, however, the authority of the committees of jurisdiction to legislate in this area, as well as the President's authority to propose an alternative plan under the Pay Comparability Act.

The conferees remain concerned about the unresolved state claims of ownership of lands within Naval Petroleum Reserve Number One (Elk Hills). The conferees urge the Secretaries of Energy and Interior to recognize and provide appropriate compensation for these state claims as soon as possible. Failure to resolve this issue only heightens the conferees' concern about the valuation and proposed sale price discussed when sale of this Reserve is considered, making swift resolution of the state claims issue important to future consideration of Elk Hills' role as a Federal asset.

REVENUES

The House resolution provided for a fiscal year 1989 revenue level of \$964.25 billion.

The Senate amendment provided for a fiscal year 1989 revenue level of \$964.60 billion.

The conference agreement provides for a fiscal year 1989 revenue level of \$964.40 billion, and for a \$350 million revenue loss in fiscal year 1989 relative to the current law baseline.

Senate recedes to House on foregone revenue collections to accommodate certain pending revenue legislation. The fiscal year 1989 revenue loss provided for in the conference agreement is intended to accommodate pending trade legislation: the Omnibus Trade and Competitiveness Act of 1988 and the President's proposed Canada-US Free Trade Agreement. These revenue changes are relative to laws in effect as of March 1988, and extension of expiring trust fund taxes in future years. Under the conference agreement, other non-trade miscellaneous and technical revenue legislation is not to increase the budget deficit. The recommended level and changes in revenues are consistent with a revenue baseline which reflects administration economic and technical estimates, but which has been adjusted to add back revenue losses from the proposed Canada-US Free Trade Agreement that the administration included in its baseline even though the agreement was not part of the current law.

LOW-INCOME HIGH-PRIORITY PROGRAMS

The conferees believe that programs serving low-income households and individuals, including homeless assistance programs, deserve a very high priority. Many of these low-income programs are discretionary and are found in several different functions throughout the budget: functions 270, 450, 500, 550, 600, 700 and 750. The conferees believe that the function totals agreed to in this conference report could accommodate funding for these low-income high-priority programs at levels equal to the CBO current services level or substantially higher.

For example, the function totals for function 600: Income Security are sufficient to allow for a program expansion of \$150 million above the CBO current services level for the Supplemental Nutrition program for Women, Infants and Children (WIC). The function totals could also accommodate refugee assistance for 31 months for cash and medical assistance and funding for the Low-Income Home Energy Assistance Program (LIHEAP) at up to the CBO current services level.

The Conference Agreement for Function 500 (Education, Training, Employment and Social Services) could accommodate funding at or above the CBO current services level for education, job training and social services programs such as P.L. 100-297 (the Elementary and Secondary School Improvement Amendments of 1988 including Chapter 1, Drug Free Schools, math/science education, Indian education), Head Start, Pell Grants, handicapped education, TRIO, Historically Black Colleges, Older Americans Employment, WIN, vocational and adult education, Job Training Partnership Act programs, and the Community Services block grant.

The Conference Agreement for Function 550: Health could accommodate the CBO current services level for low-income high-priority programs including maternal and child health, community and migrant health centers, family planning, immunizations, Indian health services and facilities, and health care for the homeless. Recognizing the severe national AIDS crisis, the conferees urge \$1.45 billion for research, education, prevention, treatment and other Federal efforts to combat AIDS, the nation's number one health priority.

The Conference Agreement could accommodate CBO current services funding or higher for all low-income high priority programs in functions 270, 450, 700 and 750.

SCOREKEEPING

The House-passed resolution and the Senate-passed resolution assumed scorekeeping treatments or bases that differed for twelve programs. The Conference Agreement resolves those issues as follows:

Classifications.—The advance appropriations for Clean Coal Technology and the Payment to D.C. are classified as discretionary, as proposed by the Senate. The offsetting collections into the Panama Canal fund are classified as discretionary, as proposed by the House. The payment to the Superfund is classified as mandatory, as proposed by the Senate.

Adjustments to 302(a) allocations.—The House-passed and Senate-passed resolutions agreed that the incremental cost of the additional IRS agents agreed to by the Summit will not count towards the domestic discretionary caps. The conferees agreed on figures of \$443 million in budget authority and \$385 million in outlays for that incremental cost. These figures differed from those initially proposed by either the House or Senate. These figures represent CBO's most recent estimate of these costs.

The House-passed and Senate-passed resolutions agreed that the income from Nuclear Regulatory Commission fees that existed at the time of the Summit will not count towards the domestic discretionary caps. The conferees agreed to use \$136 million in budget authority and outlays for this figure, as proposed by the Senate.

Scorekeeping base, dual-funded programs.—Certain revolving fund accounts are financed both from appropriations (classified as discretionary by the 1987 Summit agreement for purposes of allocation under the 1989 discretionary cap) and from borrowing authority or Payment-in-Kind certificates (PIK) (classified as mandatory spending). Since any change in the amount appropriated produces an offsetting change in the use of borrowing authority or PIK certificates, virtually no savings or costs results from such a change in appropriations. The House-passed and Senate-passed resolutions agreed on this principle but included different estimates of the scorekeeping base for the six programs involved.

The conferees agreed on the scorekeeping base proposed by the Senate for the Farmers Home Administration funds (Agriculture Credit Insurance Fund, Rural Housing Insurance Fund, and Rural Development Insurance Fund) and the Rural Electrification Administration fund. The discretionary estimates for these programs are at the levels estimated by the Congressional Budget Office when the 1989 discretionary spending cap was calculated. The conferees agreed on the 1989 CBO baseline estimate for the Federal Housing Administration Fund. For the Conservation Reserve program, the conferees agreed on the budget authority estimate used to derive the 1989 discretionary cap, but based outlays on the 1988 enacted level for the program. The budget estimate of the 1989 discretionary cap included an allowance for certain outlay increases due to programmatic changes anticipated for 1989.

The appropriations for these six programs will be scored under the 1989 discretionary cap at the levels assumed in the conference report and crosswalked as discretionary to the Appropriations Committees. The Committees will be held harmless for amounts above the resolution that would otherwise be provided through borrowing authority or PIK certificates. However, the Appropriations committee will be charged for the full discretionary amount if they fund below the resolution amount for any of these programs.

As a group, the adjustments described above and shown on the table below provide limited flexibility to the Appropriations Committee in meeting the levels set by the 1989 discretionary spending caps. The conferees agree that no further scorekeeping adjustments will be made that result in additional discretionary spending under the caps.

DISCRETIONARY SCOREKEEPING BASE

[In millions of dollars]

Program	Senate passed	House passed	Conference agreement
Classifications:			
Clean Coal:			
BA	\$525	0	\$525
O	53	0	53
DC advance:			
BA	20	0	20
O	22	0	22
Panama Canal Commission:			
BA	441	0	0
O	458	\$3	3
Payment to superfund:			
BA	0	249	0
O	0	249	0
Adjustments to Budget Act Discretionary Scorekeeping:			
NRC revenues:			
BA	136	206	136
O	136	206	136
IRS adjustment:			
BA	-358	-389	-443
O	-292	-384	-385
Dual-Funded Programs:			
ACIF:			
BA	3,423	2,487	3,423
O	0	0	0
RHIF:			
BA	2,567	2,222	2,567
O	206	189	206
RDIF:			
BA	689	578	689
O	0	0	0
FHA:			
BA	608	112	238
O	0	0	0
REA:			
BA	22	341	22
O	22	341	22
Cons. res:			
BA	572	1,129	572
O	572	1,253	1,086

DOMESTIC DISCRETIONARY SPENDING BY FUNCTION IN BUDGET RESOLUTION CONFERENCE AGREEMENT

[In billions of dollars]

	1989	
	Budget authority	Outlays
Function 250.....	\$13.00	\$12.60
Function 270.....	5.73	6.12
Function 300.....	16.36	17.36
Function 350.....	5.57	2.28
Function 370.....	5.51	3.10
Function 400.....	11.14	27.36
Function 450.....	5.84	5.81
Function 500.....	27.28	26.50
Function 550.....	13.45	13.15
Function 570.....	0	2.12

DOMESTIC DISCRETIONARY SPENDING BY FUNCTION IN BUDGET RESOLUTION CONFERENCE
AGREEMENT—Continued

[In billions of dollars]

	1989	
	Budget authority	Outlays
Function 600.....	14.61	21.01
Function 650.....	0	2.16
Function 700.....	12.09	12.13
Function 750.....	9.33	9.16
Function 800.....	8.22	8.36
Function 900.....	0	0
Function 950.....	0	0
Totals	148.10	169.20

Note.—Detail may not add due to rounding.

MISCELLANEOUS PROVISIONS

RECONCILIATION INSTRUCTIONS

The House resolution did not contain reconciliation instructions.

The Senate amendment contained reconciliation instructions directed to four House committees and four Senate committees for fiscal year 1989. The Senate amendment required instructed committees to report by April 29, 1988.

The conference agreement does not contain reconciliation instructions.

FUNDING FOR ANTI-DRUG INITIATIVE

The House resolution did not include a separate reserve funding for anti-drug programs for fiscal year 1989.

The Senate amendment provided for the subsequent allocation of budget authority and outlays to the appropriate committees of each House for an anti-drug initiative.

The amendment further provided for the fiscal year 1989 budget aggregates to be adjusted when the deficit-neutral legislation for the initiative is reported. The funding made available by the legislation was to be in compliance with the bipartisan budget summit agreement unless the President and the bipartisan leadership agreed that a dire state of emergency existed to raise discretionary spending allocations as specified in Section 8001 of the Omnibus Budget Reconciliation Act of 1987.

The Senate amendment also authorized the Budget Committee Chairman of each House to file appropriate 302(a) allocations and revised functional levels and aggregates which would be considered part of the budget resolution. The Committees on Appropriations were directed to file complying 302(b) reports.

The conference agreement allows funding for drug initiatives in fiscal year 1989 if the appropriate committees of Congress report legislation funding such initiatives and if the President and Congress agree through the normal legislative process that a dire state of emergency exists to justify spending levels different than those

specified in the summit agreement, without increasing the deficits set forth in the resolution.

FUNDING FOR THE WELFARE REFORM AND CATASTROPHIC INSURANCE INITIATIVES

The House resolution contained no provisions relating to welfare reform or catastrophic insurance initiatives for fiscal year 1989.

The Senate amendment provided that budget authority and outlays for fiscal years 1988 or 1989 (or both) shall be allocated to the Senate Committee on Finance to provide for welfare reform and Medicare catastrophic health insurance initiatives that are deficit neutral and the budget resolution aggregates shall be adjusted accordingly for fiscal years 1989, 1990, and 1991.

The conference agreement includes a provision similar to that of the Senate amendment. The measurement of deficit neutrality, to the extent that such costs are not included in the resolution, shall be determined for each of the fiscal years 1988 and 1989, as well as for the period covering fiscal years 1988 through 1991. The provision is applicable in the Senate only.

SALE OF GOVERNMENT ASSETS

The House resolution contained no asset sales provision.

The Senate amendment included a provision expressing the sense of Congress that, from time to time, the Government should sell assets to non-governmental buyers, but noted amounts realized from such sales are not recurring and do not reduce the demand for credit. The provision further included language providing that amounts realized from these sales and loan prepayments are not to be allocated to the committee or scored with respect to the Committee's budget authority or outlay allocation, for purposes of Section 302 allocations of the Budget Act.

The conference agreement includes a provision similar to that in the Senate amendment.

SENSE OF CONGRESS REGARDING ANTI-DRUG FUNDING

The House resolution contained no provision for anti-drug funding.

The Senate amendment contained a provision expressing the sense of Congress that anti-narcotics activities are vital to the Nation's future and should be a top priority in the fiscal year 1989 budget and urged all authorizing and Appropriations Committees and subcommittees to examine programs within their jurisdictions to enhance the anti-drug effort.

The conference agreement includes the provision.

SENSE OF CONGRESS REGARDING COAST GUARD DRUG INTERDICTION

The House resolution contained a provision expressing the sense of Congress that the war on drugs is an ongoing effort that must be continually waged. It provided that increased Coast Guard drug interdiction should be encouraged through the enactment of legislation allowing the private sector to perform non-emergency and non-essential Coast Guard functions and that the resulting savings from such activities should be used to increase Coast Guard fund-

ing for law enforcement, military readiness, and emergency search and rescue functions.

The Senate amendment contained no such provision.

The conference agreement includes a provision similar to that in the House resolution.

SENSE OF CONGRESS REGARDING TRUST FUNDS

The House resolution contained no provision regarding trust funds.

The Senate amendment included a provision expressing the sense of Congress that the National Economic Commission should study and include in its final report a recommendation on budgetary treatment of Social Security, airport and highway, military retirement, civil service retirement, unemployment and other trust funds and self-supporting public enterprise funds including Postal Service, Federal Deposit Insurance Corporation, Comptroller of the Currency, National Credit Union Administration, Federal Home Loan Bank Board, Federal Savings and Loan Insurance, and Securities and Exchange Commission. The provision further provided that the National Economic Commission should analyze the effects on taking these funds off budget and report on the means of achieving a balance in the remaining budget and on the economic effects of a unified budget surplus. The Senate amendment also provided that the analysis should include the economic, budgetary, and programmatic effects of doing so and the effects of setting trust fund surpluses aside as additional savings.

The conference agreement includes a provision similar to that in the Senate amendment.

PUBLIC DEBT LIMIT

Rule XLIX of the House of Representatives sets forth a procedure for increasing the level of the public debt. The rule blends the public debt limit increase into the congressional budget process which, by setting the budget totals, determines what amount of debt must be outstanding.

Upon final passage by both bodies of the Concurrent Resolution on the Budget, the public debt level for fiscal year 1989 set forth in the resolution becomes the substance of a joint resolution, deemed passed by the House, and is sent to the Senate for its approval. If the Senate approves the joint resolution without amendment, the joint resolution is sent to the President for his signature. The public debt level in the joint resolution becomes effective upon signature by the President. (If the Senate amends the joint resolution, then it would return to the House for further action).

Pursuant to the rule, the text of the joint resolution would be as follows:

That subsection (b) of section 3101 of title 31, United States Code, is amended by striking out the dollar limitation contained in such subsection and inserting in lieu thereof

Legislative jurisdiction over the public debt remains in the Committee on Ways and Means. The rule does not preclude that committee from originating public debt bills whenever necessary.

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 MIKE LOWRY,
 PAT WILLIAMS,
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 BILL GOODLING,
 MICKEY EDWARDS,
 WM. THOMAS,

Managers on the Part of the House.

LAWTON CHILES,
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 CHUCK GRASSLEY,

Managers on the Part of the Senate.

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