

Sequestration

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Sequestration Sequestration Sequestration is the 2 trillion cut automatically from the spending that is expected to be implemented over the next ten years, with about \$85 billion projected or slated for this year. The congress introduced the sequestration as a fiscal policy procedure to help curb the federal budget deficit. The policy first appeared in the year 1985 in the Gramm-Rudman-Hollings Deficit Reduction Act of the same year. It should be noted that the implementation of Sequestration would lead to cutting of the federal spending across the board (Genovese, 2010).

Jack Lew, the director of the Obama's budget, proposed the current Sequestration idea for the Obama administration. Sequestration idea was implemented as part of 2011-budget control act. In fact, both parties agreed that approximately \$1 trillion to be cut from the federal government; however, they did not agree on the next steps to salvage the nations fiscal budget (Genovese, 2010). Moreover, there some quarters that proposed the increment of the national borrowing toward creating defaults that could have emerged from the damages of the Sequestration. Borrowing from the Reagan era law, there was an argument that there was needed to achieve goals including raising the borrowing limit but improving the national fiscal standing (Genovese, 2010).

Sequestration idea is simple; it only calls for scheduling for automatic cuts for the future national budgets. However, Sequestration may be harmful for everyone; therefore, the congress should implement better and smoother cuts before implementing Sequestration fully (Genovese, 2010).

Sequestration was planned to start this year but the lawmakers have delayed it; nonetheless, it is expected to take effect as of this month.

Reference

<https://assignbuster.com/sequestration/>

Genovese, M. A. (2010). Encyclopedia of the American presidency. New York: Facts On File.