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AMERICAN
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ON
REDUCING
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NATIONAL DEBT

INSIDIOUS
CHILD ABUSE

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# SPREADSHEET BUDGET BALANCER

You owe it to children to try. If nothing else, you will experience a steep learning curve on an issue that literally encompasses their lifeline to fulfillment.

Turn this page and with one sweeping glance survey the significant features of the trillion dollar general fund Budget of the United States Government. Taking pencil in hand, you can quickly delve into that budget with the aim of finding $406 billion dollars to bring 1992 operations into balance.

To use the worksheet, you need simply enter billions that you feel should be taken off or added to stated 1992 proposals for programs and/or departments. If your net reductions do not equal $406 billion, you can either increase revenues or deduct more expense.

**Background**

The "1992 proposed" figures are those presented to Congress by the Administration, here shorn of their trust fund inclusions. "Caps" for categories like defense, domestic and foreign aid were part of the joint budget agreement reached last fall, and are incorporated in the 1992 proposals. *But they allow a $406 billion deficit!*

Our data is from the 2029 page Budget of the United States for Fiscal Year 1992, removing intertwined trust fund amounts (recast on the back page). Separation greatly simplifies and clarifies the budget. The general fund numbers account for the true deficit in full.

For over twenty years, in six presidential administrations, the Federal Government has presented a "unified budget", in effect expropriating designated trust fund collections (notably, Social Security deductions) as revenue available for any use, with no obligation to set it aside. Congress has concurred in the duplicity.

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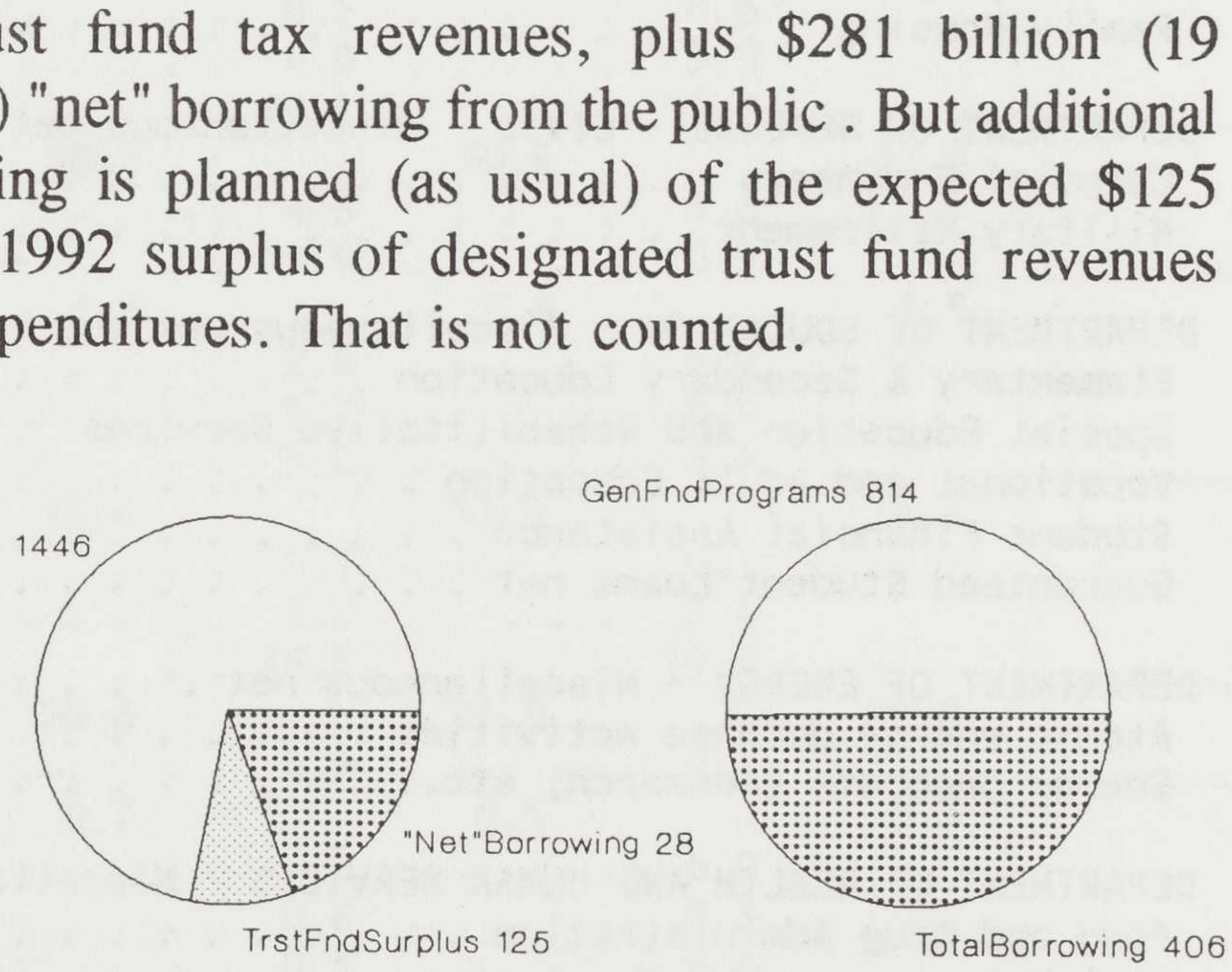
• *Mike Hurley 517/631-0928*

Lumping trust fund near-term surpluses and reserves with general funds means underreporting of annual deficits, the total accumulated debt, and interest costs - all by about one fourth, and rising, at present.

Deficits and interest costs as percentages of totals are even more misleading. For example, the frontpiece of the 1992 Budget book cited above has a pie chart projecting borrowing as 19 percent of fiscal 1992 revenues. We have reproduced that proportion below left in essential elements.

The $1446 billion total includes all general fund and trust fund tax revenues, plus $281 billion (19 percent) "net" borrowing from the public . But additional borrowing is planned (as usual) of the expected $125 billion 1992 surplus of designated trust fund revenues over expenditures. That is not counted.




The right hand graph reflects a more realistic $814 billion base and the full deficit. Trust fund surpluses do not cause deficits. The deficit (borrowing) comes solely from the $1118 billion expenditures of the general fund (see inside). Further, the interest market will determine the cost of interest, budgeted at $304 billion. We have no control over it, so we eliminate it, leaving a base of $814 billion from which to diminish or eliminate the deficit on the expenditure side.

The true deficit of $406 billion (281 + 125) is almost exactly 50 percent of $814 billion. So if you cut expenses inside by half, you met the challenge without calling on additional revenue!