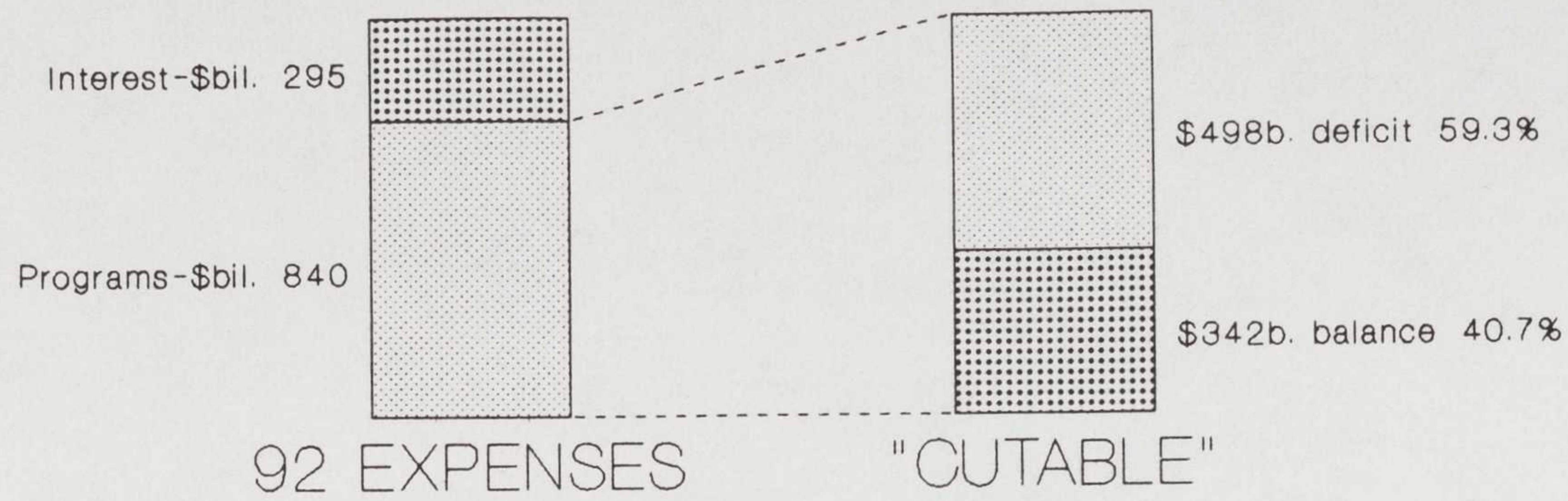
(Continued)

1) Our deficits are incurred and must be repaid from general funds ("general tax" in the 1992 graphic), which includes income tax. Trust funds are not a factor. They were assessed for specific uses and cannot be used to pay off general obligations, or the term "trust" loses all integrity.

2) The $399 billion 1992 "deficit" is the "borrowing from the public" only. The Treasury Department is also borrowing an estimated $99 billion from the annual trust fund surplus, virtually all represented by retirement funds accumulations. Since that money is intended for future recipients, such as present Social Security contributors, every precept of honesty and accountability is violated by acting as if the money is not owed. The kids must pay that back, too. Therefore the true deficit is the total of $399 billion and $99 billion, or $498 billion.

3) One element of expense that cannot be reduced unilaterally is the cost of interest. We must pay it, and must pay market rates, or no one will lend to us again.

General fund expenditures are projected to be $1135 billion ($1.135 trillion) for 1992. Interest is budgeted at $295 billion. Assuming interest cost is estimated correctly, it cannot be reduced in any accurate budget. So we are left with $840 billion in departmental and agency programs from which we must cut $498 billion if revenue remains the same. That means cutting program spending 59 percent.



If we cut government general fund expenditures by 59 percent, the kids would be at least no poorer than last year . It's too late for 1992, but that helps us perceive why balancing the budget is not the secondary issue that most federal politicians infer that it is by avoiding candid discussion.

So what if we ignore all this? The answer is frighteningly simple:

1992 DEBT $4.165 trillion
÷ by =3.65 times in 10 years
1982 DEBT $1.142 trillion
*** ***
1992 DEBT $4.165 trillion
X 3.65
2002 DEBT $15.190 trillion
÷ by = **$140,648 per household**
HOUSEHOLDS 108 million
IN 2002

Federal reporting of interest costs has the same flaws as deficits. $76 billion owed to trust funds is not counted and the "net interest" of $219 billion would appear as ***15*** *percent of all spending, including irrelevant trust fund spending. $295 billion total interest must be paid from $642 billion general revenue. So* ***46*** *percent of your income tax is for interest.*

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DOUBLE INCOME TAX? CUT COSTS 59%? BILL OUR KIDS?

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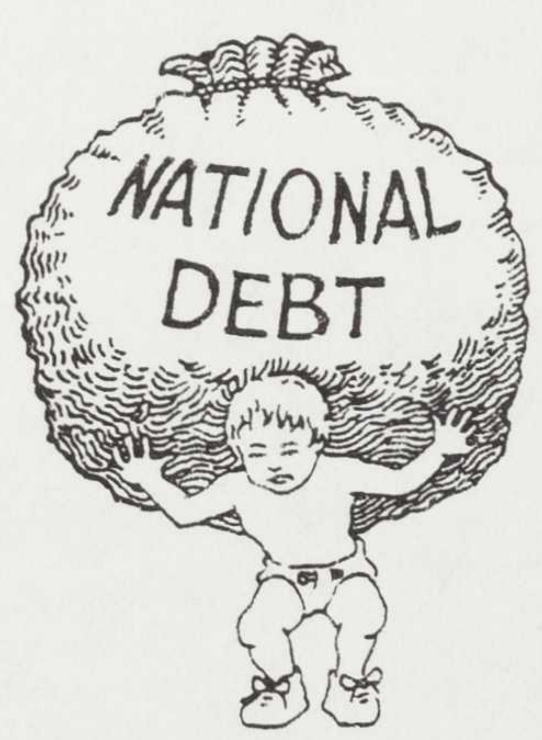

INSIDIOUS
CHILD ABUSE