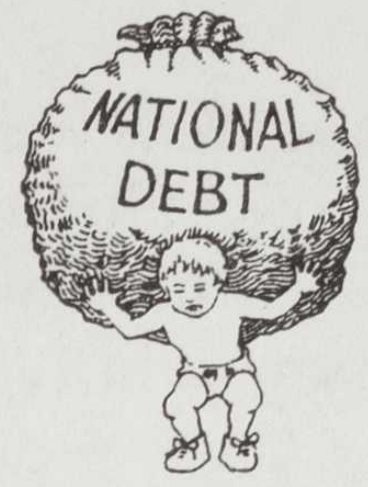
IN ACCORD

AMERICAN
CITIZENS
COMMITTEE
ON
REDUCING
DEBT



INSIDIOUS
CHILD ABUSE

Winter - 1991-92

QUOTATIONS

"As a very important source of strength and security, cherish public credit ... not ... throwing upon posterity the burdens which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should cooperate." *George Washington in Farewell Address. The omitted portions discuss the exception in wartime.*

"As an individual who undertakes to live by borrowing, soon finds his original means devoured by interest, and next to no one left to borrow from - so must it be with government." *Abraham Lincoln in 1843*

"Blessed are the young for they shall inherit the national debt." *Herbert Hoover*

"There is nothing sacred about the pay-as-you go idea as far as I am concerned except that it represents the soundest principle of financing I know." *Harry Truman*

"Anyone who can read and write and doesn't run for office knows how to balance the budget." *Peter Drucker*

"A 'let's take our lumps now' policy has never gotten anyone elected." *S.C. Gwynne in Selling Money*

"If any publicly owned corporation kept books like our federal government, the chief financial officer would be put in prison." *H. Ross Perot*

"Since neither Bush nor Congress talks about the deficit, voters don't talk about it, think about it or worry about it either." *Otis Pike*

"... each candidate explaining that the other fellow is a marble-hearted fiend and a fiscal dipsomaniac ... what deserves to be the principal domestic issue of the 1990's: early intervention in the lives of poor children. The public's concern about all sorts of education is almost as strong as its taxophobia. Almost." *George Will*

SOURCES FOR NUMBERS: Historical Statistics of the U_ S_, Colonial Times to 1970; Budget of the U_ S_ Government for FY1992; Statistical Abstract of the United States, 1990; National Center for Education Statistics, Digest of Education Statistics for 1990; Associated Press articles on budget revisions.

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COMPARISONS

NOTE: ACCORD uses figures from the general fund alone for the total federal debt, annual deficits and interest payments. Most reports of the Government deduct trust fund surpluses.

In the 200 years 1791 through 1990 there were 100 years with federal financial surpluses and 100 years with deficits. There have been only five surpluses in the last 50 years: 1948; 1951; 1956; 1957; 1960.

In 1989, the interest on the federal debt cost $241 billion. All K-12 education nationwide cost $216 billion.

In the latest year with full information (fiscal year 1990), interest costs of $265 billion were over three fourths of the $341 billion deficit.

Over 40 percent of income taxes and other general fund taxes are needed to pay the interest on the debt.

Optimistic estimated individual income taxes for 1992 will total $530 billion. The projected deficit is $372 billion (70 percent of income tax receipts), plus $115 billion for S&L bailout (22 percent). To figure your share, apply those percentages to your form 1040 taxes.

It would require over 55 percent less expenditures, after interest cost, to balance the 1992 (revised) budget without additional revenue; over 65 percent more taxes to balance the budget without decreasing expenses.

In familiar terms, think of the originally budgeted general fund revenues of $712 billion and expenditures of $1118 billion for 1992, as $700 per week family income and $1100 per week outgo.

A million dollars federal expenditures averages a penny per U.S. household; a billion dollars, ten dollars per domicile; a trillion dollars, ten thousand dollars.

To try to grasp the magnitude of a trillion, consider that a beam of light at the speed of light - 186 thousand miles per second, 11 million miles per minute, 670 million miles per hour - requires over two months, night and day, to go a trillion miles.

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