

"Congress shall make no law respecting an establishment of religion ... or abridging the freedom of speech or of the press..." —FIRST AMENDMENT

RECORD DEFICIT:

How Uncle Sam spends taxpayers' money

WASHINGTON (NEA) — The final figures are in: For fiscal year 1983, which ended Sept. 30, the federal government spent \$795.9 billion and took in \$600.6 billion.

This means that, officially, the 1983 deficit was by far the largest in history: \$195.3 billion.

Where did this money go? Conservatives point to the fact that the top four spending categories were all non-military — Social Security, interest on the public debt, Medicare and unemployment benefits — which proves, they say, that we spend more on social services than on the Pentagon.

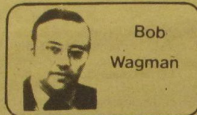
Liberals might argue that government accounting puts myriad facets of military spending in separate accounts — and that when these accounts are combined, considerably more is going to the Pentagon than to social spending.

This is especially so if we count Social Security as a separate category, since it isn't funded out of general tax revenues.

More than 95 percent of the entire federal outlay in fiscal '83 went to 34 categories, each of which totaled more than \$4 billion in spending — and since most taxpayers really don't know where their tax dollars go, it might be valuable to list all of these categories.

For fiscal 1983, final U.S. spending figures show the following outlays:

Social Security, \$153.8 billion; interest on public debt, \$128.8 billion; Medicare hospital fund, \$38.5 billion; unemployment benefits, \$29 billion; Navy operations, \$22.6 billion; Navy procurement, \$21.8 billion; Civil Service retirement, \$20.8 billion; Air Force procurement, \$19.8 billion; Air Force operations, \$19.1 billion; Medicaid, \$18.9 billion;



Bob Wagman

health-care trust fund, \$18.7 billion; agricultural price supports, \$18.7 billion; disability trust fund, \$17.5 billion; Medicare medical insurance fund, \$17.4 billion;

Army personnel, \$17.4 billion; Army operations, \$17.2 billion; Navy personnel, \$15 billion; veterans benefits and pensions, \$13.8 billion; Air Force personnel, \$13 billion; foreign military sales grants, \$12.4 billion; food stamps, \$11.8 billion; Army procurement, \$11.4 billion; Air Force research and development, \$9.1 billion; Highway Trust Fund, \$8.7 billion; Supplemental Security Income Program, \$8.7 billion; Social Security Assistance Payment

Program, \$7.8 billion; veterans' health care, \$7.6 billion; Navy research and development, \$5.8 billion; Pentagon general operations, \$5.8 billion; railroad retirement fund, \$5.6 billion; NASA research and development, \$5.3 billion; revenue sharing, \$4.6 billion; low-income housing assistance, \$4.9 billion; and student financial assistance, \$4 billion.

In fiscal 1983, the administration introduced its payment-in-kind (PIK) agricultural support program, in which farmers are paid not to plant, getting government-owned-and-stored commodities in return.

The cost of the program skyrocketed well above estimates — as a result, agricultural price supports showed the largest increase in any federal program — 61 percent over the previous year's total.

Despite all of the talk about the lack of federal support for education, student financial assistance was the second fastest-growing

spending category in fiscal '83; it jumped by 48 percent over the previous year.

The next fastest-growing programs last year were Army procurement (up 36 percent); unemployment benefits (up 35 percent, largely due to the recession), and outlays from the hospital-care trust fund, or part B of Medicare (up 31 percent).

Only one spending category showed a decrease in absolute terms: Social Security's Assistance payments fell one-tenth of 1 percent.

However, another way to measure growth in government spending is to compare it to the rate of inflation. According to the consumer price index, inflation for fiscal '83 was 2.3 percent.

Two additional federal spending categories grew by less than the rate of inflation: general revenue sharing and the disability trust fund.

And now back to the argument regarding military spending: If we add up all of the different

military categories, we find that the Pentagon spent \$178.6 billion last year.

This doesn't include military retirement and veterans' programs — which, if included, hike the total outlay to \$201 billion.

This comes to about 22.3 percent of the total outlay without veterans' costs, or 26.3 percent with them.

If we assume that Social Security and Medicare are both "social" programs and add them to all other social programs, the total social-spending figure is about \$335 billion, or about 42 percent of the total outlay. This supports conservative arguments that we spend almost twice as much on social programs as we do on the military.

But all military spending comes out of general tax revenues. Social Security, the Medicare hospital trust fund, the Highway Trust Fund and Railroad retirement are funded by direct taxes, from either payroll or excise taxes, such as the tax on motor fuel.

If we assume that all funds collected by the government, for whatever purpose, are "taxes," then the above percentages hold. But what if we regard taxes as general revenue taxes, taxes on personal income, corporate profits taxes and the like? In that case, we have to drop Social Security and Medicare from both the income and outgo totals.

This would make military spending the largest item financed out of general revenues — about 31 percent of the total not counting veterans' benefits, or about 34 percent counting them.

This was where the money went in the last fiscal year, and the picture for fiscal year '84, which started Oct. 1, isn't much different.

Total federal spending will increase about \$64 billion this year, based on the final spending resolution passed by Congress

In Our Opinion

Quest for peace on anniversary of Day of Infamy

By pure happenstance, or perhaps by pre-ordained fate, word that Navy Lt. Mark Lange of Fraser had died in a military action in Lebanon came on the eve of the 42nd anniversary of the bombing of Pearl Harbor by the Japanese.

That "Day of Infamy" — which began on a cold

time and place, Mark Lange was not unlike those young men who stood at their ship's guns or soared aloft to meet the Japanese onslaught on that terrible morning.

As the tide turned in World War II and the Allies were assured of victory, we all hoped and prayed that it



