

sure that they are provided for, to make sure that we are able to recruit and to keep fine men and women in our reserves and National Guard and in our active military.

#### FEDERAL TAX DOLLARS AT WORK

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the Chair recognizes the gentleman from Illinois [Mr. POSHARD] for 60 minutes, as the designee of the minority leader.

Mr. POSHARD. Mr. Speaker, in a few weeks back in Illinois we will get a property tax bill from the county assessor, and it will tell each of us who owns property in Williamson County, where I live, or in any other county in Illinois, and I suspect this is true across most parts of this country where property taxes are assessed and paid, it will tell us to the penny precisely what our property taxes get for us. It may very well tell us that out of the, let us say, \$2,000 of property taxes that person might pay, that about \$1,500 of that is going to our local schools. Maybe \$50 of it is going to country law enforcement. Maybe \$15 is going to the local airport authority for our airport. But it will be detailed so that we know precisely to the penny what every penny of our property taxes is getting for us as a taxpayer in that county.

Thinking about that I thought, well, why do we not attempt to give the folks in this country some idea about what their particular Federal taxes are buying for them by their Federal Government.

We do not get a printout like that to tell us that so much of the taxes that you pay into the Federal Government are going to pay for the defense of this Nation or for the health care of our elderly. We do not get any kind of tax bill to tell us that so much of your tax dollar is going to educate our children or to build our roads, or anything else. Agriculture research, science, space and technology, protecting the environment, we do not know as a people just exactly what percentage of our Federal taxes go to support any function of government.

But we hear all kinds of things. In fact, there was a survey done just recently that was printed in newspapers all over this country, and they asked a number of American citizens what percentage of the Federal budget do you believe is spent on foreign aid? and the most common answer given was 30 percent.

Can you imagine that, that American citizens think the Federal Government is spending 30 cents of every tax dollar that they send to Washington, sending it abroad to foreign countries? That is what they thought. And there is probably a good deal of people in this country that feel that way.

Well, we got to thinking about this, my staff and I, and we said, "Why don't we do in the best fashion we can what

the county does for us back home with our property taxes? Why don't we try to give the American people some idea of what their Federal taxes are buying for them?"

So, we began working with the Congressional Budget Office, with the Congressional Research Service, with the Library of Congress, and the Budget Division and so on, and we have come up with a procedure that we think is pretty accurate to help the American people understand just as well as we can what their tax dollars are buying for them that they send to Washington.

I just want to discuss that with the American people tonight. I am not here to try to debate with anyone about whether they feel this is the best way to expend our Federal dollars. I am just here to try to provide some information on a factual basis, rather than a mythical basis, what the Federal tax dollar buys for our people.

We have had a lot of folks in the last week or so come down here into the well of the House and say to the American people, "Well, this year you are working until May 7 to send your money to Washington to pay taxes for the Government," as though you are working until May 7 and not getting anything out of the tax dollars that you send to Washington. It is as if you send them here and they go into some black hole and they disappear forever, and they do not help anybody with anything.

Well, that is not a fair way to present it to the American people. If we want to be honest with the American people, we ought to tell the other half of the story. We ought to say, here is what your tax dollar buys for you. Now, you may disagree with us, you may disagree with the percentage of your tax dollars that go to certain services that are provided for the American people with it. But you must know that there are many services that are provided for the American people with your tax dollar. You have a right to know what those services are and the proportion of your tax dollar that goes to pay for them.

That is what I want to discuss with you tonight. Now, over here to my right I have several charts. I need to back this up so I can see it a little bit, and I am hopeful that the cameras can pretty much stay on these charts as I begin to explain this to the American people.

The first thing I want to talk to you about are the revenues that come into the Federal Government. In the last year that we have calculated these things, which is fiscal year 1995, how many revenues come in, and where do they come from.

Well, as you can see, the greatest percentage of Federal revenues come from the individual income taxes, which totaled about \$590 billion, or 43.6 percent of the Federal revenue.

The next largest proportion that came in came from social insurance taxes and contributions, about \$484 bil-

lion, or 35.7 percent of the total revenues to the Federal Government.

Now, social insurance taxes include Social Security, Social Security disability, Medicare, railroad retirement, unemployment compensation insurance, and Federal employees retirement contributions. Those together constitute about 35.7 percent of the revenues that come to the Federal Government, or about \$484 billion.

The next highest class of revenues are corporate income taxes, about \$157 billion, or about 11.6 percent of the revenues to the Federal Government.

Excise taxes, which include things such as gasoline tax, jet fuel tax, alcohol tax, cigarette tax and so on, brought in about \$57,484 million, or about 4.2 percent of the Federal revenues.

All other forms of Federal revenues, be it rents, royalties, interest or whatever, are about 4.9 percent of the total taxes or revenues that came to the Federal Government.

This totals for fiscal year 1995 about \$1,355,213,000.

Now, during fiscal year 1995, we took in \$1,355,213,000 and we spent \$1,519,133,000, or we deficit spent about \$163.9 billion. That is, we borrowed that much money to make up the difference for what we spent over what we took in.

Now, that is a lot of borrowing, it is true. But just 3 years ago we were deficit spending \$302 billion a year. We have cut the deficit nearly 50 percent in that period of time. And while we should not make any excuses for the deficit spending, we want a balanced budget, we need a balanced budget, we want to get this down to the point in 7 years hopefully where we spend no more than we take in. We have made great progress on this account in the last 3 years, cutting it by nearly 50 percent in terms of the Federal Government deficit spending.

So the revenues come from individual income taxes, corporate income taxes, social insurance taxes and contributions, excise taxes, and others.

Next chart, please.

Now, what we have done, with the help of the Congressional Budget Office, is we have taken each of the five different divisions of family income in this country, in other words, those families in the lowest 20 percent of family income, in the second lowest 20 percent of family income, in the third lowest 20 percent of family income, in the fourth highest, and the highest 20 percent of family income, and we have calculated the average family income in each of these quintiles.

You can see that among those families who are in the lowest 20 percent of family income in America, the average family income is \$8,500 a year. In those families that are in the second lowest 20 percent of family income, their average family income is \$20,500 a year. In the third quintile, it is \$33,500 a year, which is the average family income nationwide in America. The average family income and those people in the

fourth highest 20 percent is \$49,000 a year. And in the highest 20 percent of family incomes in the country, the average family income is \$111,500 a year.

We went back and we calculated the total of all forms of Federal taxes in terms of its percentage for each of these levels of family income averages, and you can see that the average tax rate here includes Federal individual income tax, Medicare tax, Social Security tax, corporate income tax, estate and gift taxes, and all forms of excise taxes, such as Federal airlines, gasoline taxes, cigarette taxes, alcohol, and so on.

□ 2100

Now, in 1981, you can see for the average family income of \$8,500 a year, that family paid a total of 8.3 percent of its average family income in all of these taxes combined. As you go on up to 1990, that rose to 8.9 percent; in 1994 it fell to 5.1 percent, which it remains at today.

So for all four of these quintiles of family income, \$8,500 a year average, \$20,500 a year average, \$33,500 a year average and \$49,000, the income tax rate, which includes all of these together, these Federal taxes, has fallen from, for the lowest quintile, 8.3 percent to 5.1 percent in 1995; the second quintile from 15.3 percent to 14.9 percent in 1995; the third quintile from 20 percent to 19.4 percent in 1995; the fourth quintile, from 23.4 percent to 22.2 percent in 1995; and the highest quintile has risen slightly from 27.4 percent to 27.7 percent between 1981 and 1995.

So with respect to all of the four lower categories of family income, total Federal taxes has gone down; for the highest it has gone up slightly, so that if you are a family in 1995 making an average of \$33,500 a year, you will pay for all of these Federal taxes combined, an average over \$6,499. If you are a family making \$49,000 a year in 1995, all forms of Federal taxes will cost you \$10,878. If you are a family making \$111,500 a year in 1995, all forms of Federal taxes will cost you \$30,885.

Now, what we have done, and we only have delineated here the three family incomes of \$33,500, \$49,000 and \$111,500, the top three quintiles, what we have done, then, is go to the Federal budget and we have applied all of those incomes to each of the broad general functions of the Federal Government. That is the services that the Federal Government provides to each of its citizens, and we have calculated these family incomes to include what percentage of the tax actually goes to each of these functions as well as that percentage in actual tax dollars.

So you can see that the function of Government which takes the highest percentage of our Federal taxes combined is Social Security, to which Americans paid \$335,846,000,000 in fiscal year 1995, which was 22 cents of each tax dollar sent to Washington. And for a family making \$33,500 a year, the average family income in this country,

that would have meant a tax bill of \$1,436.50 for Social Security. For a family making \$49,000 a year it would have meant as a portion of their total tax bill of \$10,844, \$2,404 going to Social Security. For a family making \$111,000 a year, \$6,825 of their \$30,000 tax bill goes to Social Security.

So in order of most to least with respect to the amount of your tax monies that go to different functions of Government, this is the order in which you pay your Federal taxes for, going from highest to lowest. Social Security takes 22.1 of your tax dollar. So slightly in excess of 22 cents of each of your total Federal tax dollars go to Social Security.

National defense is the second highest expenditure at \$272 billion. It takes 17.9 or right at 18 cents of each tax dollar that you send to Washington. The net interest on the debt, which today stands at \$4.9 trillion, the net interest on that debt takes 15½ cents of each tax dollar that the American family sends to Washington, DC.

Income security is the fourth highest expenditure of the Federal Government. That includes general retirement and disability, unemployment compensation, Federal employee retirement, disability, housing, food and nutrition assistance and other forms of welfare. All of those things all together take 14½ cents of each Federal tax dollar. Medicare is the next highest expenditure, the fifth highest expenditure. It takes 10½ cents of each Federal tax dollar. Health is the next highest expenditure. It takes right at 7½ cents of each Federal tax dollar that you send to Washington, DC.

Now, let me point out something here. These top six items, Social Security, national defense, interest on the debt, income security, to include all those things I just mentioned, retirement, disability, unemployment compensation, and Federal employee retirement, housing, food, et cetera, Medicare and health, those top six functions of the Federal Government, take 88 cents of every tax dollar that you send to Washington—88 cents of all Federal tax dollars combined that are sent to Washington are consumed by those top six expenditures.

If you go on down the line, education, training, employment and social services take 3½ cents of your tax dollar; or for the average American family, \$229 of your tax bill. Transportation takes 2½ cents, or \$162 of your tax bill. Veterans benefits and services take 2½ cents, or \$161 of your overall tax bill, if you are a family making \$33,500 a year.

Natural resources and the environment take nearly 1½ cents or \$92 of your tax bill. General science and space technology takes a little over 1 cent on each tax dollar you send out here. Foreign affairs takes a little over 1 cent of your tax dollar that you send to Washington. Administration of justice takes a little over 1 cent of your tax dollar that you send to Washington.

General government, which includes the executive and the legislative

branches and other areas that support those, other agencies, takes a little less than 1 cent of your tax dollar, about 91 hundredths of one cent. Community and regional development take about three-quarters of one cent of your tax dollar. Agriculture takes about two-thirds of one cent of your tax dollars. Energy takes about one-third of one cent of your tax dollar. And then you get back about 3.8 or nearly 4 cents in offsets to that through various credits and offsetting receipts to the Federal Government.

That constitutes 100 percent of your tax bill. And all of these things together, education, training, employment, social services, transportation, veterans benefits and services, natural resources and environment, general science, space and technology, foreign affairs, international affairs, administration of justice, general government, community and regional development, agriculture, and energy, all of those together take 12 cents of your tax dollar. Social Security, national defense, interest on the debt, income security, Medicare and health take 88 cents of your tax dollar.

Now what we want to do is break down each of these general functions of government in a more specific way to show you with some definitive nature here exactly what percentage of your tax dollar goes to each of these functions in a more specific way.

Social Security, which is the No. 1 item of Federal spending, which takes 22.1 cent of each tax dollar, just goes to what it says, Social Security. It is the money that you pay in over a lifetime, along with your employer, to support a person who has reached Social Security retirement age, as well as other disabled people in our country who may qualify for Social Security. For a family earning \$33,500 a year, that amounts to about \$1,436; for a family earning \$49,000 it is about \$2,404; and for a family earning \$111,000 it is about \$6,825.

The second highest expenditure of the National Government, which takes 17.9 or right at 18 cents of each tax dollar you send here, is national defense. How is that broken down? Military personnel take about 4½ cents of your tax dollar for their salaries, for their living and so on. Operation and maintenance of our military systems, about 6 cents of each tax dollar. Procurement of all of the things which it takes to run our military on, about 3.6 cents of each tax dollar. Research, development, testing and evaluation of all of our systems and so on, about 2¼ cents of your tax dollar. Military construction, about ½ cent of each tax dollar goes toward military construction. Family housing takes a little less than ¼ of 1 cent for the housing for our military families.

We have some offsets where the military performs certain functions and makes back about \$2 billion a year in terms of sales of equipment and so on. That is an offset a little bit to your tax bill.

The atomic energy defense takes a little over  $\frac{3}{4}$  of one cent and other defense related activities about  $\frac{5}{100}$  of 1 cent, for a total of 17.9 or about 18 cents of each tax dollar for all of these functions of our national defense spending.

For a family, again, earning \$33,500 a year, that is about \$1,161; for a family earning \$49,000, that is about \$1,944 in taxes; and if you are earning \$111,500, it is about \$5,519 in your taxes.

The third highest expenditure which your Federal tax dollars pay for is the interest on the national debt. As you can see, the interest on the public debt this year is about \$332 billion, or about 21.88 percent of each tax dollar sent here, and that is offset by some of the on-budget trust funds that we have, which include the transportation trust fund, our black lung trust fund, the Superfund trust funds and so on, which goes specifically to be sent on those items I just mentioned. That is an offset of nearly 4 cents on the dollar. And our off-budget trust funds, which include Social Security, is an offset of a little over 2 cents on the dollar.

So our total net interest paid by your Federal taxes is about a little over 15 cents of each tax dollar, or about \$993 for a family earning \$33,500, \$1,663 for a family earning \$49,000, and \$4,722 for a family earning \$111,500 a year.

Our next highest expenditure is what we call income security spending, and this includes general retirement and disability insurance. This entire category takes up 14.5 cents of each tax dollar which you send to Washington. A little less than  $\frac{1}{3}$  of one cent goes to the general retirement and disability insurance, that excludes Social Security; about  $\frac{4}{3}$  cents goes to pay Federal employees retirement and disability;  $\frac{1}{2}$  cents goes to pay unemployment compensation; about 1.8 cents of your tax dollar goes for housing assistance, run through HUD; about  $\frac{2}{2}$  cents goes for food and nutrition assistance, including food stamps, the Women, Infant and Children Program and so on; and about 4 cents of each tax dollar goes for all other forms of welfare programs.

□ 2115

So about  $14\frac{1}{2}$  cents of each tax dollar you send here goes for income security spending, which amounts to, for a family earning \$33,500 a year, about \$941; \$49,000 family income, about \$1,575; and for a family earning \$111,000 a year, about \$4,472.

Next chart, please.

The next highest expenditure of your Federal tax dollar is Medicare. Medicare is the Government-run health care system, as you know, for our elderly. It takes  $10\frac{1}{2}$  cents of each tax dollar which you send here to Washington, or, for a family earning \$33,500, about \$683 of your tax total; for a family earning \$49,000, about \$1,144; and for a family earning \$111,000, about \$3,249 of your total tax bill will support Medicare spending in this country.

Next chart, please.

The next highest level of Federal spending is health spending, which includes health care services, including Medicaid. This entire category takes up about  $7\frac{1}{2}$  cents of each tax dollar you send here. Medicaid gets about 6.7 cents of that.

Health research and training, about three quarters of 1 cent to keep us in the forefront of the best health care provisions in the world.

Consumer and occupational health and safety including the functions of OSHA, get a very small amount, about  $\frac{12}{100}$ ths of 1 cent of each tax dollar.

Total combined for Medicaid, health research and training, for consumer and occupational health and safety, about  $7\frac{1}{2}$  cents of each tax dollar that you send here. For a family making \$33,500 a year, that is \$492; for a family earning \$49,000, that is \$824; for a family making \$111,500, it is \$2,341 that go to these functions.

Next chart, please.

Let me remind you of one thing. Those six categories of Federal spending that we just talked about from Social Security, national defense, interest on the debt, Medicare, income security and health spending, consume 88 cents of each tax dollar that you send to Washington, DC.

Now we get into the last 12 cents of each tax dollar that you send here.

Education, training, employment and social services spending consume  $3\frac{1}{2}$  cents of each tax dollar that you send to Washington. About 1 cent of that goes to elementary, secondary, and vocational education; mainly to vocational education because we at the Federal level assume a major responsibility for helping to finance vocational education in our high schools, our communities colleges and so on.

The higher education gets a little less than one cent of each tax dollar you send here, and most of that goes to student grant and loan programs and work-study programs to try to help our students get through college. That amounts to about \$14 billion a year.

Research and general education aids get about  $\frac{13}{100}$ ths of 1 cent of each tax dollar. Training and employment, which is very important for our country because we have a turnover of people in our jobs and employment throughout this country, people get laid off, they lose their jobs, they need to be retrained, re-employed at another job. We spend about \$7 billion, or about a half of 1 cent of each tax dollar that you send to Washington, on that function.

Other labor services, including the NLRB and those agencies and so on, about a  $\frac{6}{100}$ ths of 1 cent, and the social services that we provide, including mental health and other kinds of things at the Federal level, less than one cent of each tax dollar that you send here.

So for all of these things: elementary, secondary and vocational education, higher education, research and

general education aids, training and employment, other labor services and social services, we spend  $3\frac{1}{2}$  cents of each tax dollar that you send to Washington. For an American family making \$33,500 a year, that is about \$229 of your tax bill; for a family making \$49,000 a year, that is about \$384 of your tax bill, and for a family making \$111,000 a year, that is about \$1,090 of your tax bill on education training employment and social services.

Next chart, please.

The next expenditure is  $2\frac{1}{2}$  cents of each tax dollar you send here goes to support the transportation system in this country. I think this is personally one of the biggest bargains the American people can possibly get. This comes in to the Federal Government in the form of excise taxes on gasoline and other types of energy consumption. We spend 1.6 cents of each tax dollar you send to Washington for ground transportation, maintaining the largest network of interstates in any country in the world, maintaining State roads with part of the Federal funding that we send through the States, and we do that for 1.6 cents of each tax dollar that you send to Washington. We spend two-thirds of 1 cent on air transportation, maintaining the greatest network of airports, of airport safety, of air transportation in any country in the world, two-thirds of 1 cent of each tax dollar. We spend about 1 quarter of 1 cent for water transportation, maintaining locks and dams and the things that move our commercial commerce goods and services up and down the rivers of this Nation, one-quarter of 1 cent. And other forms of transportation, less than 1 one-hundredth of 1 cent.

A total of  $2\frac{1}{2}$  cents of every tax dollar you send to Washington maintains ground, air, water and other forms of transportation. If you are a family making \$33,500 a year, that is a \$162 a year; a family making \$49,000, that is \$271 a year; a family making \$111,000, that is \$772 a year from your tax bill.

Next chart, please.

The next highest expenditure is for veterans benefits and services. We spend  $2\frac{1}{2}$  cents of your tax dollar to support our veterans. How do we do that? One-and-a-quarter cents goes for income security for veterans, retirements, pensions and so on. Seven one-hundredths of 1 cent goes to veterans' education, training, and rehabilitation. A little over 1 cent goes to veterans' hospital and medical care. A very small portion goes to veterans' housing, and other benefits and services take an equally small portion;  $2\frac{1}{2}$  cents of your tax dollar goes to support veterans benefits. For a family making \$33,500, that is \$161 a year; for a family making \$49,000, that is \$269 a year; for a family making \$111,500, it is \$765 a year.

Next chart, please.

Our next highest expenditure, taking up about  $1\frac{1}{2}$  cents of each tax dollar that you send to Washington, is our natural resources and environment

spending. To protect the environment, to conserve our natural resources, we spend about 1½ cents of each tax dollar that you send to Washington, and how is that spent? One-third of 1 cent goes to protect our water resources. One-third of 1 cent goes to conservation and land management. Through our Federal Bureau of Land Management, managing all the Federal lands that we own throughout this country, our recreational resources take up 18/100ths of 1 cent.

Now, you can take your family to the Grand Teton National Forest today, you can take them to Yellowstone National Forest, you can bring them here to Washington, DC, and spend 3 weeks. It will cost you \$5 a carload to go through those great national forests which our tax dollars manage for recreational purposes for our people. It costs you nothing to go through the museums here in Washington, DC, and the Smithsonian, which we manage. All of those recreational things combined, including our lakes, et cetera, cost a family making \$33,000 a year \$11.70 a year in their Federal taxes. If you are making \$49,000, it costs you about \$19.58.

So, for all of these things, including pollution control and abatement, which we spend about a half of 1 cent of your tax dollars on, for all of these things combined, water resources, conservation and land management, recreational resources, pollution control and abatement, and protecting our other natural resources, we spend 1½ cents of every tax dollar you send to Washington. I think that is a tremendous bargain for the American people.

Next chart, please.

The next highest expenditure is a little over 1 cent of your tax dollar; 1.10 hundredths of a percent goes to general science and space spending. We spend one-quarter of 1 cent on science and basic research, maintaining government laboratories, maintaining grant researches in our major land grant universities and private universities across this country, which has kept this country on the cutting edge of technologies from aviation technology to computer technology, areas in which we lead the world, contribute to our commerce, to jobs for our people. We spend, for the family making \$33,000 a year, \$17 of your tax bill goes to support science and basic research. NASA gets a little over three-quarters of 1 cent, space flight research and other supporting activities of NASA.

There are thousands of products that have spun off of the research that NASA has performed over the years in our general space exploratory activities in this country that have accrued to the benefit of private industry in this country and to every public citizen, and for a family making \$33,000 a year, that is about \$53 of your Federal tax bill.

So for general science and space spending we spend a little over 1 cent of your tax dollar for all of that combined.

Next chart please.

International affairs spending. To support our efforts in the international community, which includes international development and humanitarian assistance, international security assistance, conduct of foreign affairs, foreign information and exchange activities, and our participation in international financial programs, we spend a little over 1 cent of each tax dollar.

□ 2130

What is this? Half of 1 cent, or nearly half of that money, goes to international development and humanitarian assistance. When the deserts are consuming Africa and rolling over the only arable land we have to feed people there, and famine is across the land, and disease, and hunger we send food. We send medicine.

When the Ebola virus is threatening to kill people in other parts of the world, we send medical technicians who shut it off, who try to trace down its origins. When AIDS and other things threaten to ravage countries, we help. That is part of who we are as a country. We spend one-half of 1 cent of each tax dollar for that kind of international humanitarian assistance as the greatest economic, military, and democratic power in the world.

International security assistance. This includes peacekeeping operations, nuclear disarmament approaches, military loans, et cetera. One-third of 1 cent of your tax dollar goes to support international security assistance.

Conduct of foreign affairs, the State Department, a quarter of 1 cent of your tax dollar goes to our State Department to carry on its functions.

Foreign information and exchange, about nine one-hundredths of a cent, and our participation in our international financial programs returns about \$2 billion a year in forms of interest to us. So for a little over 1 cent on the dollar, we engage in these activities as a leading international power in the world. Most Americans think we spend 30 cents of every tax dollar on this alone.

In the next chart, the next expenditure is the administration of justice. The Justice Department and its various activities takes a little over 1 cent of each tax dollar that you send here. Federal law enforcement activities, a little less than half of 1 cent. Federal litigative and judicial activities, including our U.S. attorney's offices, the people who speak for us in the government in prosecutorial areas, a little less than a half of 1 cent.

Federal corrections activities, including our Federal corrections systems and our criminal justice assistance, including legal services and so on, a little over 1 cent of each tax dollar goes to support our justice spending in this country.

In the next chart, general government spending is the next category of Federal spending. It takes up less than

1 cent of each dollar that you send here. The legislative functions of the Congress take up three one-hundredths of 1 cent. The executive branch, one one-hundredths of 1 cent. The central fiscal operations, the Treasury Department, a half of 1 cent; the general property and records management, or General Services Administration, six one-hundredths of 1 cent; the central personnel management, or Office of Personnel Management, does not even register, hardly. Our general purpose fiscal activities, other general government, and so on, the running of our Federal Government and the functions of it in terms of general government spending, a little less than 1 cent of each tax dollar goes to that.

Community and regional development spending, which is a major activity back in our home districts, to help our local community regional economic development associations and so on go out and entice businesses to locate in our communities by showing them what infrastructure we have in place, what our labor force is like, et cetera, the aid and assistance we give them takes less than three-fourths of 1 cent of each tax dollar that you send here, and that includes about a quarter of 1 cent to FEMA and our disaster relief and emergency agencies that serve our communities when they have floods and other forms of natural disasters to face.

For a family making \$33,000 a year, that is about \$44 a year. For a family making \$49,000 it is about \$7 a year. For a family making \$111, it is about \$213 a year.

In the next chart, agriculture spending. I never have a town meeting without folks standing up saying, "Stop giving those subsidies to all those farmers. Those farmers are the fat cats. They are taking up half of the Federal budget."

We spend exactly two-thirds of 1 cent of each tax dollar on our agriculture community. About half of 1 cent goes to farm income stabilization programs, which we are cutting now, incrementally over the next 7 years, and eliminating totally.

The remainder of that goes into agriculture research and services so about two-thirds of 1 cent goes to support agriculture spending by the Federal Government, which helps supply our agriculture community: the largest supply of food in the world, the safest supply of food in the world, and the cheapest supply of food in the world for the American citizen. The subsidies that people complain about to our farmers really accrue to the benefits of our consumers, but even those we are cutting out now.

In the next chart, our next category is energy spending. We spend one-third of 1 cent on maintaining our energy supplies, our energy conservation, our emergency energy preparedness, such as our strategic petroleum reserves and others, in case we get into a war or supplies are cut off from other parts of

the world, and our energy information policy; less than three one-hundredths of a cent.

So for the average American family making \$33,000 a year, they are spending \$20 a year in the form of Federal taxes to support an energy supply, which, again, is the cheapest energy in the world. Today, a gallon of gasoline in America averages \$1.26 cents a gallon. In Canada, it is well over \$3. In Europe, it is over \$4.

There are the offset which accrue of about 4 cents on the dollar to the American taxpayers. The Federal Government gets a mortgage credit of about \$1 billion back; in the Postal Service, about \$1 billion 800 million in FDIC deposit insurance, about \$17 billion. It costs us a little over \$6 billion for the Commerce Department to advertise and try to advance our commerce around the world.

The employer share of employee retirement is about \$34 billion. The rents and royalties on the Outer Continental Shelf for drilling and exploring and so on, about \$2.4 billion. Other offsetting receipts, about \$7 billion. So we get back, for the taxpayer, nearly 4 cents on the tax dollar in terms of these offsetting receipts and credits.

I want to go back to this one chart again, because this capsulizes everything. Again, by function of government, what is it the tax dollar buys, from top to bottom? Twenty-two cents of each dollar buys Social Security for our people; 17.9 cents, or 18 cents, buys national defense; 15 cents, a little more, is interest on the debt; 14½ cents is income security for all those things we talked about previously; 10½ cents goes to Medicare. Nearly 8 cents goes to health; education, training, employment, and social services, 3½ cents of the dollar; transportation, 2½ cent; veterans' benefits, 2½ cents; natural resources and environment, 1½ cents; general science, space and technology, a little over 1 cent; international affairs, 1 cent; administration of justice, 1 cent; general government, 1 cent; community and regional development, three-quarters of 1 cent; agriculture, two-thirds of 1 cent; energy, one-third of 1 cent; and about 4 cents of the dollar in offsets and credits. That is what the Federal tax dollar buys for the American public.

For a family making \$33,500 a year, that is \$6,478 in all forms of Federal taxes. For a family making \$49,000 a year, that is \$10,800, in all forms of Federal taxes. For a family making \$111,500, that is \$30,786, in all forms of Federal taxes.

The point is, Mr. Speaker, we can do better. We can do better in some of these categories. There are debates raging out here right now about what we do to stabilize the Social Security fund before it goes broke in the year 2030. How do we continue to provide for my generation, which is in its fifties, and for my son's generation, in their twenties, to have Social Security that they have paid in all their life, as the

present generation has provided? Maybe there are things we can do to invest more wisely, or allow people to invest more wisely to stabilize that fund.

We have cut national defense considerably over the past several years. We are downsizing that area of the Federal Government, but we cannot downsize it much more.

Our net interest is the area we have to work on, because we need a balanced budget. We need to balance this budget. We need to reduce interest as a portion of our Federal debt. We are making headway on that deficit, but we have to go all the way to zero deficit spending.

That is why the debate is raging out here about how we get there, and the two great political parties are sharing their philosophical notions about how we get there. It is my hope and prayer we will get there, for the benefit of our children.

Medicare and part of the income security and health dealing with Medicaid and other health care services, we are right now debating here ways to lower the cost of the government with respect to those health care programs which are the fastest rising parts of the Federal budget. We are going more toward managed care. Other types of things we are doing to try to lower the cost in these major areas. This is the discretionary area of the budget. These things are the entitlement areas of the budget. Everything has to be on the table.

But let me say this, Mr. Speaker. For those people who come down here and say, "Well, we have worked until May 7 this year for the Federal Government," please tell the rest of the story. Please say that for those 4 months, we provided Social Security for our elderly and defense for our Nation, and we took care of health care problems and Medicare and health research and education and training for our unemployed; that we provided the best transportation system in the world; we helped our veterans; we took care of our environment and preserved our natural resources; we engaged in general science and space exploration; we conducted our international affairs as the leading power in the world; we had a justice system in which we maintained the FBI, the CIA, the BATF, the Federal prison system.

Please say that we spent only 1 cent on the dollar to operate this Congress and the executive department and the various agencies that serve this Congress and the executive department, and the General Services Administration and the Department of the Treasury, the Office of Personnel Management, and all these things; less than a cent on the tax dollar.

We have to tell the rest of the story, that we have engaged in community and regional development to the benefit of our communities in providing for sewer systems, water systems, other infrastructure developments that we have helped with, which greatly promote the economy and the commerce

of this Nation, on very little as a percentage of our tax dollar; that we have supported the income security of our farm community, which has provided the cheapest, most plentiful, safest food supply in the history of any country in the world, and we have fed most of the world for many, many years. Say that.

The only thing I want to say is this: that the whole story is that it may be true that we worked until May 7 to pay our taxes to the Federal Government, but the rest of the story is that we get a lot of very good benefits. We can do better. We can save more, we can spend less, and we shall. But the American people ought to know, too, that we are struggling to give them what I think is the best we can do for the tax dollars that they send. It is not just coming here and going into a black hole. It is not just coming here and being wasted away.

Is there fraud and abuse? Yes. Should we get it out? Yes. It is incumbent upon every agency of the Federal Government and the oversight function of this Congress to give assurance to the American people that we are tightening restrictions, we are doing everything possible to make sure that we are spending this money in the most cost-effective, efficient way possible on behalf of the American people.

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We are trying to do that.

My only purpose here tonight was to try to give the American people some sense of what their tax dollar is being spent for. That is all. I hope that we can agree that it is being spent not in some of the ways that the Americans people are thinking, like 30 percent of it going to foreign aid, but that we are trying to do our best to serve our people with the income that they do send us.

#### COMPETING PHILOSOPHIES FUEL DEBATE OVER ROLE OF GOVERNMENT

The SPEAKER pro tempore (Mr. COLLINS of Georgia). Under the Speaker's announced policy of May 12, 1995, the gentleman from Arizona [Mr. HAYWORTH] is recognized for 60 minutes.

Mr. HAYWORTH. Mr. Speaker, I thank my colleague from Illinois who preceded me here in the well. Indeed amidst all the talk of a lack of civility, amidst all the talk of hostility in this Chamber, Mr. Speaker, I can personally say without equivocation that one of the honors of serving in this House in addition to being here representing the people of the Sixth District of Arizona is to serve alongside my good friend from Illinois. Because without venom or vitriol, he states a case, and he makes mention of the fact that, yes, there are two predominant philosophies at work in the Congress of the United States, by and large two philosophies represented within the two-