

# TRUTH IN GOVERNMENT

**THE NATIONAL ORGANIZATION FOR FISCAL INTEGRITY AND HONEST ACCOUNTING**

HON. JOSEPH DIOGUARDI, CPA  
CHAIRMAN

2 CROTON AVENUE  
OSSINING, NY 10562  
(914) 762-5530  
FAX (914) 762-5102

## **APRIL 15: TIME TO PAY** **ON THE MOST EXPENSIVE CREDIT CARD IN THE WORLD**

By now you probably filed your tax return for 1994 and made your final payment on the balance due. What you probably didn't realize, however, is that you only paid the *current* balance. That may not surprise you, because the U.S. government does not bill you for any part of the annual deficit or accumulated national debt. It leaves that for your children and grandchildren. How does government get away with it? Easy!! It doesn't bill you for the real cost of government now, thereby pushing our annual accumulated excess spending on tomorrow's taxpayers--your kids--in a perennial naked display of congressional child abuse.

Now, as a CPA, former congressman and concerned citizen, I want you to know the real cost of government, and so I have enclosed your U.S. Taxpayer Personal Credit Card Statement. Now *this* may surprise you, because the U.S. government does not keep track of its finances and report to taxpayers the way American Express, MasterCard or VISA do. It should, but it doesn't. And, if a private credit card firm allowed its users to do what Congress does, it would go belly up in a hurry. Unfortunately, Congress has some special privileges that allows it to engage in business as usual year after year.

The Statement covers our federal government's fiscal year ending September 30, 1994. Note that there was a regrettably large previous balance due on your account. This is your share of Congress's past spending which was covered by borrowing in your name, not by revenues.

Then you'll see listed a number of items that our elected Representatives bought (appropriated) on your behalf during this past year, things like social security, defense, health, and so on. Your share of these expenditures was \$10,748.69. Added to the previous balance, this brings your account charges to \$47,936.72.

But you did make some payments during the year, through your income taxes,

payroll taxes, and so on. These payments reduced your balance by \$9,545.33. But this is, unfortunately, less than your new spending.

Finally, I need to remind you that even Uncle Sam does not have the ability to borrow other people's money interest free. So you also have to pay a finance charge on his borrowings, amounting to \$1,734.68. This is your share of the interest on our national debt. Adding this gives you a new balance due of \$40,126.07, an increase of \$2,938.04 over the last year's balance due.

This is certainly an unfortunate trend, and Congress, in an attempt to balance the budget, will be asking you to make larger and larger payments in this and future years, so that your balance due at least does not increase year over year, as it has for the past twenty-five years.

I know that you think that you did not in fact authorize someone to use, or personally use, such a credit card last year. But let me explain that there is in fact a credit card being used here--literally a little plastic computer-friendly congressional voting card that increases public spending and taxing. Your Representative has this card and you gave it to him or her in the election of 1994. I myself had one for four years when I served in the House of Representatives and many times referred to it on the floor of Congress as "the most expensive credit card in the world." Speaker Newt Gingrich recently followed suit in his public address to the nation on the "first one hundred days."

When your own credit card company notices that you have reached your credit card limit, it lets you know that you are at the end of the line. Not so with the Congress! The plastic card your Representative uses to vote on spending and taxing bills has no effective limit.

There is, theoretically, a limit. It's called the debt ceiling. But the amazing thing about the congressional voting card is that it can be used to raise the limit! Every time

Congress's deficit spending runs up against the current debt limit--now almost \$5 trillion--a majority of members of Congress simply stick this little plastic card into a computer terminal at the end of each row of seats on the floor of the House and, with Senate and President concurring, the limit is conveniently increased. (I don't think your private credit card company is planning to introduce this feature.)

But for the fact that your children and grandchildren will pay through the nose for Congress's misuse of this voting card, it is a real boon--at least to Congress and the administration--because it makes it possible for them to keep passing the buck, really the bill, onto the next generation.

I know you are shocked and dismayed at your U.S. Taxpayer Personal Credit Card Statement and at the fact that somebody else is using "the most expensive credit card in the world" to run up your bill, not to mention that of generations yet unborn.

But if you want to do something about it, you might resolve to take "the most expensive credit card in the world" away from those members of Congress who continue to abuse your family like this. After the 1994 election many Representatives were replaced and required to turn in their cards. This will help to make next year's statement a little better than this year's, but you may have to take away quite a few more cards before you can get a statement with a lower balance.

*Personally, I think moving election day to April 15 is an excellent idea for starters.*

---

The author, Joseph J. DioGuardi, a CPA with twenty-two years of practice at Arthur Andersen & Co., represented Westchester County's 20th District in the House of Representatives from 1985-1989.

---

(SEE REVERSE SIDE FOR THE "US TAXPAYER PERSONAL CREDIT CARD STATEMENT")

# U.S. TAXPAYER PERSONAL CREDIT CARD STATEMENT

FISCAL YEAR 1994  
(October 1, 1993--September 30, 1994)

DESCRIPTION	CHARGES	PAYMENTS
<b>Previous Balance Due</b> <i>(your share of the national debt at beginning of year)</i>		<u>\$37,188.03</u>
<b>Purchases During Year</b> <i>(your share)</i>		
Social Security and Medicare	3,968.48	
National Defense	2,405.56	
Income Security and Welfare	1,828.82	
Health	910.21	
Education, Training, Employment	382.32	
Agriculture, Natural Resources	307.97	
Transportation	314.82	
Administration of Justice	130.62	
Other	499.89	
<b>Payments Received During Year</b> <i>(your share)</i>		
Individual Income Taxes <i>(Thank you for your prompt payment)</i>		4,638.79
Social Security Taxes and Contributions		3,944.23
Other		962.31
<b>Totals</b>	\$10,748.69	\$9,545.33
<b>Finance Charge</b> <i>(your share of the interest on the national debt)</i>	\$1,734.68	
<b>New Balance Due</b> <i>(your share of the national debt at end of year)</i>		<u>\$40,126.07</u>

Previous Balance	Purchases	Finance Charges	Payments	Balance Due
\$37,188.03	\$10,748.69	\$1,734.68	\$9,545.33	\$40,126.07

**Note:** This statement is prepared on the cash basis of accounting still used by the federal government and is not based on Generally Accepted Accounting Principles used by most state governments and private industry.

**Source:** Final Monthly Statement of Receipts and Outlays of the U.S. Government for FY1994 (Financial Management Service, Dept. of the Treasury); IRS 1994 estimate of 117 million personal income taxpayers, individual and joint.