



JOINT ECONOMIC COMMITTEE
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REPRESENTATIVE CAROLYN B. MALONEY, VICE CHAIR



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NEW ANALYSIS BY JOINT ECONOMIC AND HOUSE BUDGET COMMITTEES: 83 PERCENT OF CRUSHING FEDERAL DEBT IS A PRODUCT OF PAST THREE GOP PRESIDENTS

*Schumer and Maloney Urge White House to Stop Loading Future Generations with
Backbreaking Debt*

Washington, D.C. – Senator Charles E. Schumer, Chairman of the Joint Economic Committee (JEC) and Rep. Carolyn B. Maloney, Vice Chair of the JEC, released a new JEC and House Budget Committee analysis of total national and public debt incurred under the past five administrations. The analysis highlights a proven track record of fiscal responsibility under Democratic administrations, and conversely a sharp increase in debt under Republican administrations.

The great majority of our national debt has been incurred by the past three Republican administrations. Over the past thirty years, those administrations have borrowed an average of \$233 billion each year from the public. In contrast, under Democratic administrations the Federal government has borrowed an average of \$26 billion each year, just one-ninth as much.

Instead of building up surpluses in preparation for the upcoming retirement of the Baby Boom generation, the current Bush administration has continued the tradition of Reagan and Bush Sr. by abandoning fiscal discipline and permitting the debt to skyrocket.

Sen. Schumer said: “The last three Republican administrations have thrown future generations under the runaway train of debt. Our children and grandchildren will be responsible for repaying mountains of debt and shoring up the financial solvency of the federal government. The fiscally irresponsible Republicans owe the American people a return to the common sense fiscal policies of the Clinton administration, when surpluses and prosperity, not deficits and recession, were the norm.”

Rep. Maloney said: “Republican administrations over the last thirty years have made us a nation of debtors, vulnerable to the economic and political decisions made half a world away. Democrats in Congress want to restore the fiscal discipline of the 1990s that reduced our debt and helped create broadly shared prosperity. We have a realistic budget plan that

adheres to pay-go principles for bringing down the deficit, but that doesn't shortchange our national defense or our citizens."

Highlights from the joint JEC and Budget Committee analysis reveals:

TOTAL NATIONAL DEBT:

The total national debt includes amounts owed by one U.S. government account to another, mostly for *Social Security payments promised to future retirees*.

- Approximately \$3.2 trillion of our \$8.9 trillion national debt has been accumulated during the past six years of the Bush administration.
- Nearly three-quarters of the total national debt has been accumulated under the past three Republican administrations – Reagan, George Bush the elder, and the current George Bush.

TOTAL PUBLIC DEBT:

Debt held by the public excludes amounts owed by one U.S. government account to another. The net debt held by the public determines the total interest payments the government must pay, and most directly reflects the degree to which the Federal government must borrow to finance current deficits. For this reason, many economists focus on total debt owed to the public as the best single metric of the government's indebtedness.

- The U.S. government has a total debt of over \$5 trillion owed to outside parties. Nearly half of that is owed to foreign governments, primarily to Japan, China, and the United Kingdom.
- In 2007, American taxpayers will pay \$235 billion in net interest payments to service this debt, or 9.1 cents on every dollar of government revenues
- \$1.8 trillion, or 35 percent, of the total debt owed to the public has been accumulated under the past six years of the Bush administration.
- \$4.2 trillion, or 83%, of the total debt owed to the public was accumulated under the past three Republican administrations.

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