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**Maloney Calls for Infrastructure Investment at Hearing on the Debt  
~ Supports policies that balance debt reduction and economic growth ~**

WASHINGTON – At [today's hearing](#) of the U.S. Congress Joint Economic Committee (JEC), [Ranking Democrat Carolyn B. Maloney](#) (D-NY) called for a balanced approach to the federal budget, including both policies to deal with long-term drivers of the debt and policies to lay the groundwork for economic growth.

In her opening statement at the “[Federal Debt: Direction, Drivers and Dangers](#)” hearing, Rep. Maloney stressed that both the political left and right agree that the rising national debt is overwhelmingly caused by long-term trends, particularly the aging U.S. population and rising health care costs. On the other hand, she stated, “discretionary spending is nearing historic lows.”

Ranking Member Maloney called for improving long-term economic growth by investing in education and infrastructure. “History is instructive,” she said. “Investing in broad-based economic growth was at the core of America’s success in the decades after World War II. We invested in our people through the GI Bill, and in our infrastructure, building the nation’s interstate highway system. It paid off. While publically held debt more than tripled between 1945 and 1981, it fell by about three-quarters as a share of the economy.”

Democratic witness Dr. Alice Rivlin, former Director of the Office Management and Budget and Vice Chair of the Federal Reserve Board, agreed that the nation’s fiscal health would be best served through increased infrastructure spending in the near term and plans to reduce deficits in the long term. “We need policies that help grow the GDP faster and slow the growth of debt simultaneously. To grow faster we need a substantial sustained increase in public and private investment aimed at accelerating the growth of productivity and incomes in ways that benefit average workers and provide opportunities for those stuck in low wage jobs. At the same time we need to adjust our tax and entitlement programs to reverse the growth in the ratio of debt to GDP.”

Witnesses Senator Judd Gregg and former Indiana governor Mitch Daniels also testified that both restraining spending and increasing economic growth are key to achieving a long-term solution.

Rep. Maloney also set the record straight on claims that President Barack Obama is responsible for increases in the debt, reiterating the impact of long-term trends, but also pointing out that the Bush administration was responsible for huge increases in the debt and deficit. “President George W. Bush inherited a surplus of \$128 billion, or 1.2 percent of GDP,” she testified. “But that surplus was spent on two tax cuts, which increased the debt by \$1.5 trillion over 10 years. Then he led the United States into wars in Iraq and Afghanistan, projected to cost \$4 to 6 trillion dollars in the long term. Then he presided over the worst economic meltdown since the Great Depression, which crippled the economy and sent deficits soaring. In the end, Barack Obama inherited a deficit of nearly 10 percent of GDP and a rapidly rising debt.”

The hearing can be viewed in its entirety [here](#).

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