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THE TRUE AND ACCURATE MATH ON THE RISE OF THE NATIONAL DEBT IN THE PAST TWO ADMINISTRATIONS

President Bush left his successor two wars that were unpaid for, Bush tax cuts that were unpaid for, prescription drug bill that was unpaid for ("unpaid for"- that's Washington parlance for bills not offset by corresponding spending cuts or tax increases elsewhere in the federal budget). It is only good common sense, as well as a law of accounting, that the money spent and unaccounted for by the Bush administration is attributable to the party that spent it, not the party that corrected the cooked books.

There has been much written about which President is responsible for huge surge in the National Debt in the last 11 years. Republicans reckon that President Obama has been the main source of the increase while Democrats lay the blame on President G. W. Bush.
Our research department has carefully examined the documentation and sorted through the financial spin and distortions to present an accurate and truthful account of how the National Debt has been built up to its current staggering amount.

In the end it is clear that the lions share is unmistakably and mathematically attributable to the Bush administration, although many believe otherwise. The truth reads like a Russian novel, but stay with it as we unravel the tangled web of distortions so you can work to the bottom of this complex matter yourself.

The "public record" of the National Debt (comprising presidential records up through the Obama Administration) is available from the Department of the Treasury via the internet (bibliography item # 1).

"US National Debt by Presidential Term" (bibliography item # 2), presents a concise tabulation of the debt progression at given years in time. It provides easy access of data for calculation of the following:

- Debt increase during President Bush's 8 years: $5.038 trillion
- Debt increase during President Obama's 3 years: $4.426 trillion

These figures clearly portray the Bush Administration in a favorable light, but are they accurate? They have triggered a Republican Internet campaign to discredit President Obama as a wildly spending and fiscally irresponsible leader, but are their claims reliable and truthful? Here are some examples: [1]

- "National debt has increased $4 trillion under Obama in 3 years"
- "The national debt increase of $4.9 trillion by George W. Bush in 8 yrs, will be exceeded by Mr. Obama in 4 years"
- "On average, the national debt increased $4.247 billion during each day Obama has been in

office."

[1]The variation in numeric values shown reflect the time related growth of the debt.
ABOVE IS THE MYTH - HERE IS THE TRUTH: The problem with the above assessment is that it is based solely on static entries in a data table. There are other factors, i.e. modifiers, that must be considered when the actions of one administration plants bad accounting and other obstacles into the balance sheet of the next administration: [2]

1. Most importantly, the Bush Administration did not count the cost of the Iraq and Afghan wars in their bookkeeping. Obviously these huge expenditures that were not accounted for, but the money was spent, changed the math dramatically. [3]
2. The Obama administration properly put these two wars "on the books". Politically this openedthe door for the unjust criticism.
3. The Bush Administration passed , but never funded the cost of the Medicare Part D drug benefit, another huge unaccounted for expense.
4. The Obama administration does fund the Medicare Part D drug benefit.
5. The Bush Administration Tax Cuts were unfunded and unaccounted for.
6. The Obama Administration has temporarily continued the tax cuts due to economic hardship in the country and Republican intransigence to have wealthy Americans pay their fair share.
7. The Great Recession inherited upon assuming office necessitated emergency stimuli by the Obama administration to keep the country from falling into a depression.
8. The Great Recession job losses resulted in a significant decrease in tax revenue to the Treasury since January of 2009 when President Obama took office.

[2]The deficit for fiscal year 2009 — ***which began more than three months before President Obama's inauguration*** — was $1.4 trillion and, at 10 percent of Gross Domestic Product (GDP), the largest deficit relative to the economy since the end of World War II. At $1.3 trillion and nearly 9 percent of GDP, the deficit in 2010 was only slightly lower. If current policies remain in place, deficits will likely resemble those figures in 2011 and hover near $1 trillion a year for the next decade. The events and policies that pushed deficits to these high levels in the near term were, for the most part, not of President Obama's making. If not for the Bush tax cuts, the deficit-financed wars in Iraq and Afghanistan, and the effects of the worst recession since the Great Depression (including the cost of policymakers' actions to combat it), we would not be facing these huge deficits in the near term. By themselves, in fact, the Bush tax cuts and the wars in Iraq and Afghanistan will account for *almost half* of the $20 trillion in debt that, under current policies, the nation will owe by 2019. The stimulus law and financial rescues will account for less than 10 percent of the debt at that time. (bibliography item # 10)

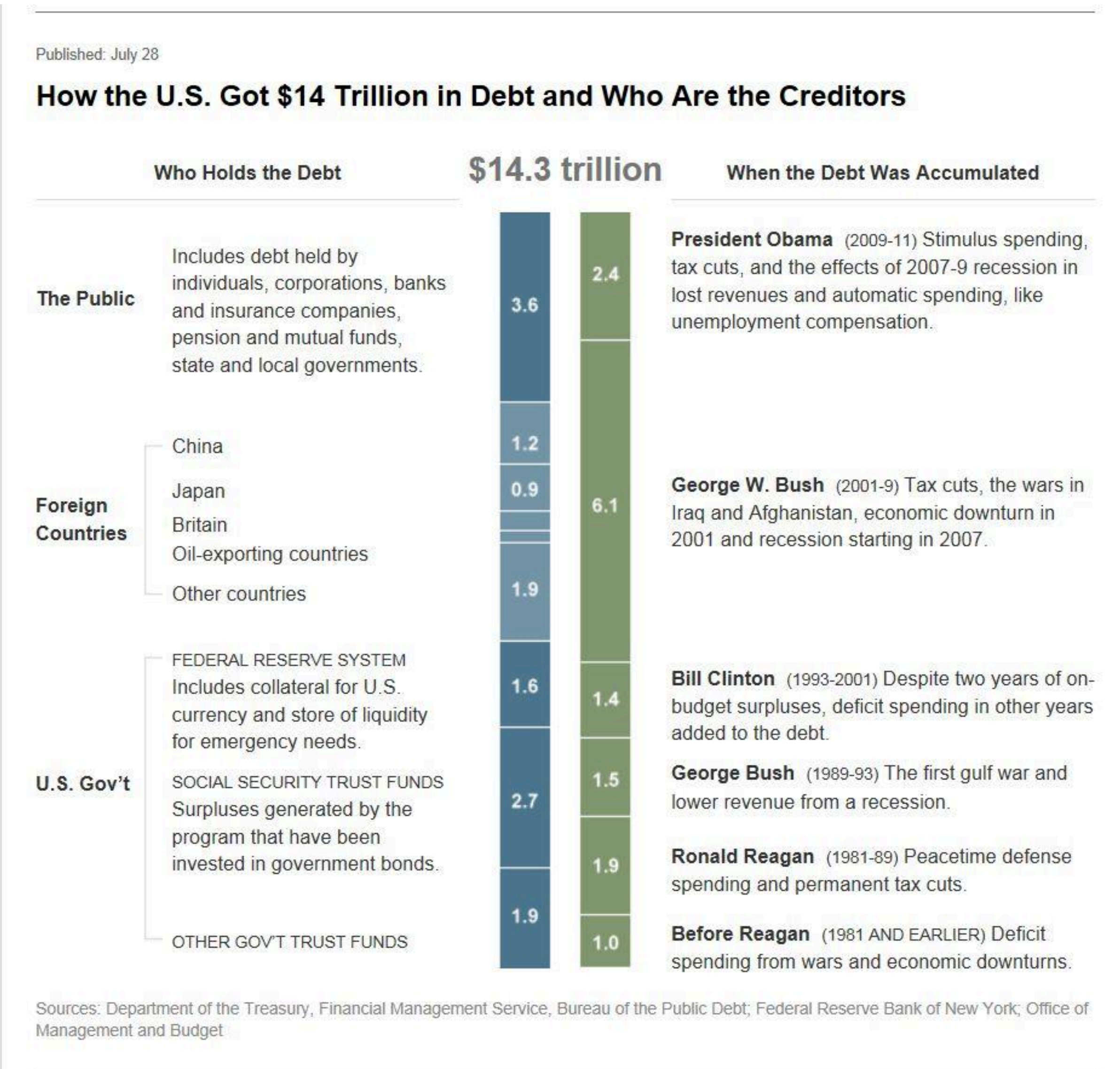
[3]The use of the Social Security surplus as a way to hide deficit spending started under President Reagan and continued under President George H.W. Bush. President Clinton continued the practice during his first term in office, but in his second term, the Government stopped using surplus Social Security funds and there was a concerted effort to protect the funds from further pillage. Upon entering office George W. Bush restarted the practice and spent $1.37 trillion of Social Security surplus revenue during his eight years as president. In his last year alone he spent over $1 billion of our Social Security money every two days. By the time President Obama came into office $2.6 Trillion had been stolen from the Social Security System's surplus to clandestinely pay for President Bush's wars. President Obama immediately overturned his predecessor's practice of understating the federal deficit. Such "off budget" items are now included in the annual budget. (bibliography item # 11)

Using the metaphor of a relay race, George W. Bush handed President Obama a lighted stick of dynamite instead of a baton. And that stick of "deficit dynamite" lit by President Bush exploded under the Obama Administration.

A view of the progression of the National Debt in building up to the $14.3 trillion "CAP" (July 2011) is shown in Figure 1. The content is based on public record data from the Department of the Treasury, Financial Management Service, Bureau of the Public Debt, Federal Reserve Bank of New York, Office of Management and Budget. It clearly shows the following:

- True debt increase during President Bush's 8 years: $6.1 trillion
- True debt increase during President Obama's 3 years: $2.4 trillion

FIGURE 1. NATIONAL DEBT PROGRESSION TO $14.3 CAP TRILLION (JULY 2011)



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Addenda
(http://www.conservapedia.com/Financial_Crisis_of_2008#cite_note-20)
According to Conservapedia, the online Conservative encyclopedia, "The **Financial Crisis of 2008**, continuing into 2009, is an ongoing worldwide financial crisis that is the worst the world has seen since 1933 with the Great Depression. Drastic measures to confront seemingly insurmountable financial calamity resulted in the creation of **TARP** (Troubled Assets Relief Program), $700 billion safety net by the U.S. Government. The National Bureau of Economic Research has identified the peak of the last expansion in December 2007; the U.S. economy has been in decline ever since. The crisis has caused the Recession of 2008, which reached bottom in summer 2009, causing a worldwide economic decline that is the most severe since the 1930s."
"In 2011, it was revealed that the Federal Reserve secretly propped up elite bankers all the way from Wall Street to Brussels to the Central Bank of Libya. This was the Fed covertly operating its own bailout program. The names of those involved were revealed by Bloomberg News and it took several years of Freedom of Information Act court battles to unearth Fed actions. The Fed would have never revealed its secret bailout on its own."

http://www.huffingtonpost.com/2011/08/22/federal-reserve-12-trillion-loans_n_933615.html
During the 2008 financial crisis, when the nation's banking system seemed on the verge of collapse, President George W. Bush authorized a $700 billion bailout of the financial industry. The U.S. Treasury implemented that program, known as TARP, in an effort to stave off economic catastrophe. At the same time, and in the years that followed, the Federal Reserve was undertaking its own rescue operation, in the form of private, previously undisclosed loans to banks and other institutions -- lending as much as $1.2 trillion, nearly twice the amount of the Treasury bailout, according to a data analysis performed by Bloomberg News. The $1.2 trillion figure represents the peak amount of outstanding loans, which occurred on December 5, 2008, according to Bloomberg News. The scope of the Fed's private lending had previously only been guessed at, but figures obtained under the

Freedom of Information Act by Bloomberg News showed that the nation's central banker issued loans to more than 300 institutions between August 2007 and April 2010, including over 100 loans of $1 billion or more. While the Fed's loans likely helped to prevent a complete implosion of the global banking system, analysts feared that the loans may have contributed to an atmosphere of complacency on Wall Street.