

Abstract: We combine two previous methods for testing the sustainability of government debt and apply the Covariate Augmented Dickey-Fuller Test to U.S. data check whether the debt is unit root to check the “Locally” Ricardian. At the same time, we apply the estimation method to determine the existence of a bubble and ascertain whether “Globally” Ricardian is satisfied. We show that “Global” Ricardian is satisfied, but “Locally” Ricardian is not.