



# VIEWPOINT

ON PUBLIC ISSUES

February 2, 2009 • No. 147 • ISSN 1936-1491



*You couldn't ask for a more perfect example of the failed policies of the past than the federal stimulus bill.*

## No, We Can't Afford This

By Marc Kilmer

Trying to drum up support for the massive spending package being labeled a "stimulus" bill, a liberal advocacy group is urging a break with the "failed policies of the past." Presumably this is a reference to the policies under George W. Bush. It is strange to describe this bill as a break with his failed policies, though, as it embraces the irresponsible federal spending that was the hallmark of his presidency. In fact, you couldn't ask for a more perfect example of the failed policies of the past than this bill.

You would think that a spending bill would be designed to stimulate the economy, right? It would be designed to change behavior, spurring job creation and economic growth. Any resemblance to the so-called stimulus bill passed by the House of Representatives and real

stimulus is purely coincidental, however.

The fact is massive government spending does not stimulate the economy. If it did, we should be seeing record economic growth, since in the year Bush left office federal spending was a trillion dollars higher than when he entered.

But now, led by Democrats who decried Bush's reckless spending during the 2008 campaign, Congress has approved a bill that will spend between \$800 and \$900 billion. How is this huge amount of government spending a break from the failed policies of the past?

Some say this type of spending is needed to help spur demand and restart our economy. But just increasing the amount of government spending does not create new demand. Instead, it merely shifts demand. There is no evidence that this type of stimulus program has ever worked in the past, either in the United States or other nations.

Others claim the type of spending approved by Congress is better than past spending at stimulating the economy. Giving states billions to fund Medicaid programs does not stimulate the economy. Neither does spending \$1 billion on the Community Oriented Policing Service,

\$142 billion on education, \$200 million to plant grass in Washington, D.C., or \$276 million to upgrade State Department computers. All of these things may have merit, but stimulating economic growth is not among them.

This stimulus bill is simply another spending bill, only a much larger version. In fact, its size dwarfs the money spent on the war in Iraq. It is, adjusted for inflation, larger than the huge federal spending increases in the New Deal. In short, if it becomes law (and it almost certainly will) this bill is the biggest spending legislation in our nation's history.

Unfortunately, fiscal responsibility is even less fashionable in Washington than ever. Even members of the Congressional "Blue Dog Democrat" coalition, supposedly the more fiscally conservative members of the party, voted for the bill. Ohio's own Charlie Wilson and Zack Space, members of this group, supported this massive increase in federal spending. I guess spending millions to re-sod the National Mall meets their definition of being fiscally responsible.

The liberal advocates are right. We do need a break from the failed policies of the past. It's too bad that the stimulus legislation is another example of those failed policies, but on a much grander scale. When this stimulus bill does not help the economy, will there be calls for an even larger federal spending program?