



Written by [Gary Benoit](#) on January 26, 2009

“Stimulus” Spending Will Harm Recovery

All you really need to know about the plan is implied by the two numbers given: \$275 billion in supposed benefits to taxpayers, and a figure exactly twice that amount that the federal government intends to bestow on itself and its primary beneficiaries. The \$550 billion will include, among many other things:



- An \$87 billion "temporary" increase in Medicaid matching aid (and here we must note that the phrase "temporary government program" is oxymoronic);
- \$20 billion for food stamps;
- \$39 billion for healthcare for the newly unemployed;
- \$43 billion for increased unemployment benefits and jobs training;
- \$15.6 billion for Pell grants;
- \$79 billion for state fiscal relief (probably only a down payment on a dole for the states, several of whom are lobbying for a bailout of \$1 trillion);
- \$41 billion for local school districts;
- \$30 billion for highway construction;
- \$6 billion to weatherize modest-income home; and
- \$32 billion to transform the nation’s energy transmission, distribution, and production systems.

"Even with this package," the House press release warns, "unemployment rates are expected to rise to between eight and nine percent this year. Without this package, we are warned that unemployment could explode to near 12 percent. With the passage of this package, we will face a large deficit for years to come. Without it, those deficits will be devastating and we face the risk of economic chaos. Tough choices have been made in this legislation and fiscal discipline will demand more tough choices in years to come."

All of this is arrant nonsense mingled with a contemptible disregard for limits, constitutional or otherwise, on the size, power, and cost of government. "Tough choices" for whom, may we ask? Well, certainly not for our preening Capitol Hill nomenclatura nor for the millions of workers on federal, state, and local government payrolls and the many thousands more quasi-private sector contractors who will be receiving the lucrative public-works contracts contemplated in this bailout. For all of those folks, business is booming; even as corporation after corporation — from Microsoft to Caterpillar to Home Depot — announce massive layoffs or liquidates altogether, we’ve heard nary a peep about layoffs among federal employees. Government, it seems, is not only deemed too large to fail, it’s also too large to downsize. This is the message Congress is sending loud and clear to American taxpayers as it contemplates spending two dollars on itself and its hangers-on for every dollar it returns to the



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taxpayer.

But beyond the purely fiscal outrage, this bill, like so many federal bailouts stretching all the way back to the Great Depression, is an affront to lawful, constitutional government and yet another slap in the collective face of the Founding Fathers. What, this author wonders, would the Founders think of us, their heirs, could they see the willful bondage to which we are subjecting ourselves? Nowhere in the U.S. Constitution is there any authorization for Congress to spend money on housing, public schools, mass transportation, telecommunications, food stamps, healthcare, college tuition, clean water, scientific research, or jobs training. Yet all this and much, much more is in the American Recovery and Reinvestment Bill of 2009.

The only part of the House's statement with a ring of truth is the soothing cant about "transforming" our economy "for the 21st century." That, unfortunately, is exactly what this bill is about — hastening the descent of the United States into full-blown socialism of the sort that most of the rest of the world has already experienced and is experiencing. And no matter how much damage this bill does to our already crippled economy and entire way of life, the strident apostles of government interventionism can be counted on to claim — as they did throughout the Great Depression — that things would be worse still without their benevolent ministrations.

The only possible remedy for the economic crisis, as we have pointed out over and over, is to allow the recession to run its course and free-market mechanisms to heal the economy. Instead, this bailout bill, like those gone before it, is only a feckless try at re-inflating the bubble and providing golden parachutes for the wealthy and well-connected.



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