



Written by [Joe Wolverton, II, J.D.](#) on November 28, 2009

Pelosi: More Stimulus Will Create Jobs. Really?

With rampant foreclosures and declarations of bankruptcy, historic levels of money creation, a plummeting dollar, and double-digit unemployment, one would think that the already-bowing backs of the American public have borne enough of the burden of trying to pull the economy out of the rut of recession via more "stimulus" spending. This may seem obvious to most, but not everyone would agree.



Speaker of the House Nancy Pelosi (D-Calif.) figures that most Americans wouldn't mind "absorbing" more "stimulus"-spawned government indebtedness if the additional government spending means increasing employment. "So if somebody has the idea that the percentage of GDP of what our national debt is will go up a bit, but they will now — and their neighbors and their children will — have jobs, I think they could absorb that," Pelosi told bloggers during a conference call on November 24.

Speaker Pelosi thinks that it's a "false choice" to make Americans or their representatives choose between jobs and higher deficits, but when pressed to choose, she believes Americans would rather have jobs.

Of course, Pelosi's analysis overlooks the fact that the money spent by government to "create" jobs must be siphoned out of the economy, destroying jobs. This is true even when the "stimulus" money is created out of thin air through the Federal Reserve, since the infusion of this new money into the economy dilutes the value of already existing money, causing prices to rise. Pelosi may claim that choosing between higher deficits and jobs is a false choice, but in reality government spending (including stimulus spending) and debt are destroying jobs that Pelosi claims need to be created through more government spending and debt.

False choice or not, Congress' evaluation of the distinct merits of the two options will be brought to the forefront of the legislative agenda very soon, as lawmakers prepare to debate and deliver a new economic stimulus package that President Obama has promised will contain the solution to the unemployment crisis.

Congressional Democratic leaders are striving to prepare and present a jobs package to the House before heading home for the Christmas holidays. With the legislative calendar full of equally taxing measures, big-spending Congressmen will need more than eight tiny reindeer to deliver all the Christmas packages they have promised the President and the American people.



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Apart from considering a conference bill on healthcare that is likely to be placed before them within the next few weeks, the House leadership has declared its intention to tackle a roster of bills aimed at jump-starting a sputtering economy. With Thanksgiving over, time will not be on the side of those anxious to pass a slate of proposals for the nearly wholesale overhaul of unchecked legislative control of America's financial framework. All of which, if history is to be our guide, will inflate the ballooning deficit to suffocating heights.

The Speaker of the House admits that the budget deficits are "stunning" but somehow figures that all the new social programs and stimulus spending can be accomplished without increasing the gap between what is collected and what is spent. So confident is she in her assessment of the fiscal prognosis that she doesn't doubt the willingness of the American public to withstand yet another financial body blow "We don't subscribe to the idea that some are for deficit reduction and some are for job creation; we think, again, as I said at the beginning, that's a false choice. We're never going to decrease the deficit until we create jobs, bring revenue into the Treasury, stimulate the economy so we have growth."

Not queasy of invoking the specter of the Great Depression in order to scare her colleagues straight, Pelosi warned House Democrats not to be weak in their resolve to spend money not yet in the federal coffers in order to create jobs. "If we pull our punch," she declares, "as they did in the mid-30s, we shouldn't be surprised if history repeats itself."

As the number of shopping days until Christmas decreases, it remains to be seen if members of the House will follow their leader and boldly pile money onto the already-alpine federal deficit, all in the name of bringing jobs to an American citizenry whose economic stability and well-being would be better served by a Congress committed to the Constitution.

Photo: Speaker of the House Nancy Pelosi



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