



Written by [Bruce Walker](#) on October 29, 2010

Stimulus Dollars Leave America

Government never “stimulates” economic growth. Left quite alone, people engage in rational commerce guided only by enlightened self-interest. More crucially, government cannot predict the real consequences of its efforts to stimulate the economy. Republicans around the country are telling Americans that the ocean of dollars which the federal government spent on the future credit of our children in order to stimulate growth in America is actually being spent in China.



President Obama, in his proudly proclaimed stimulus package, “required” that goods purchased with these dollars be spent on goods made in America, but, of course, government edicts often have no effect in the real world.

The [NRCC](#) is running an ad in Indiana that says: "Is Baron Hill running for Congress in Indiana or China? Baron Hill supported the \$800 billion failed stimulus package that created renewable energy jobs in China." A similar ad in a West Virginia congressional race notes that incumbent Nick Rahall, who supported the stimulus package, "helped foreign companies create Chinese jobs making windmills."

Although most of the stimulus funds not used to buy American goods were actually spent in Europe, not China, the underlying premise is still the same: no one — least of all government — can unscramble the eggs of economic activity.

Even if an iron-clad guarantee could be created to use stimulus funds only within our nation, the result would be no more beneficial than if the federal government adopted the same stark autarky that North Korea has now. There are many different elements of materials and of work in the production of anything in our complex economy. The American economy could substitute some of these by an enormous effort, which would save the cost of importing that part of production, but the result would be that the true cost of the good or service produced would be sky high — and the added layers of regulation and oversight by the federal government would pad the cost even more.

Progressives such as Obama and FDR have always viewed the coercion of government power as a means of spinning wealth out of pure air. Under the New Deal, crops and livestock were produced by that marvelous engine of wealth-creation, American farmers, and then destroyed to raise the price of these agricultural products. Satraps of Roosevelt instructed businesses how to behave, and it is probably no coincidence that so many of the Soviet agents whose identity and work are now proven beyond any reasonable doubt, were located in federal agencies dealing with economic regulation. These men were enemies of America.



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Even the best-intentioned central planner, however, cannot begin to guess the ultimate effect of his decisions. The printing presses of the federal government can churn out money at a staggering pace, but unless central planners have the omniscience of God, then the actual impact of their actions is as far from reality as one of the Five Year Plans of the Soviet Union.

What is the best way to help American business restore prosperity? *It is to leave it alone.*

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