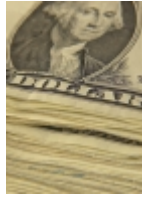




Another Stimulus Spending Bill in the Works

Top Washington Democrats are planning another round of "stimulus" spending legislation to create jobs, according to the Los Angeles Times for November 27. "The renewed push to create jobs is driven by a recognition that the \$787-billion stimulus program enacted in February is not a sufficient remedy for an unemployment rate that stands at 10.2%," the Times reported, adding that "Congressional aides said the new program could cost tens of billions of dollars. Democratic House members who had wanted a larger stimulus said they would press for a substantial spending plan this time."



The revelations come days after a November 24 conference call between House Speaker Nancy Pelosi and leftist bloggers where Pelosi [suggested](#) enhancing jobs programs as a means of cutting down the deficit. In the short term, Pelosi has indicated she is willing to increase the record \$1.45 trillion annual deficit even further. "But I think if anybody is asking the public, 'Would you rather have a job or the percentage of GDP of our national debt would go up a little bit?' I think that everybody wants a job."

Pelosi concluded that increasing federal spending for more jobs programs is the only way to close the deficit gap in the long term. "We are never going to reduce the deficit until we create jobs that bring revenue into the treasury, and stimulate the economy until we have growth," Pelosi [told](#) bloggers.

Of course, that's based upon the liberal economic mythology that more government spending will bring the budget back into balance. "The theory is simple," said Brian Beutler of the leftist [Talking Points Memo](#) blog. "Stimulus requires near term deficit spending that ultimately has to be paid back down the line when the economy improves." Beutler added: "However, the stimulus bill that Congress passed earlier this year punted on how to pay for the funds. A new jobs bill could address that problem, without stifling the stimulus itself, by including pay-fors that don't kick in for a year or more, when they won't counteract the stimulative effects, and when the government will be taking in more tax revenue anyhow." However, increasing spending without increasing taxes has been Washington's bipartisan policy for the past nine years. That's already a fairly long-term sample, and it has resulted in larger and larger deficits. It doesn't work, never has, and — as simple as it is — has never made any logical sense.

But President Obama's Thanksgiving Day address seemed to indicate he has bought the idea that Beutler's theory works. "The investments we have made and tough steps we have taken have helped break the back of the recession," Obama [said](#), "and now our economy is finally growing again."

President Obama was referring to the U.S. economy's showing a modest 2.8 percent annualized growth in the third quarter. Obama [added](#) that "we cannot rest — and my administration will not rest ... until we have moved beyond the cycles of boom and bust — of reckless risk and speculation — that led us to so much crisis and pain these past few years." But more than [half of the recent U.S. growth was based upon the temporary bubble of the "Cash for Clunkers" subsidy program](#) that has now ended and will



Written by [Thomas R. Eddlem](#) on November 27, 2009

almost certainly result in a crash in auto sales.

The popular definition of insanity is to try the same thing again and again, expecting a different result. That's precisely the mentality in Washington, DC.



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