

Stimulus bill too big? How about too small?

Jim Fisher

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Now that Idahoans whose congressional delegation told them the federal stimulus bill is a fraud are finding out the bill will prevent deep cuts to their schools and other essential services, here's a bigger mind-bender to consider:

The bill's \$790 billion might not be enough.

That's the opinion of a growing number of economists, including Nobel Prize winner Paul Krugman, about the final result of negotiations among the Obama administration, the U.S. House and the Senate to get the economy moving again.

Krugman wrote in the New York Times Friday that "I've got a sick feeling in the pit of my stomach - a feeling that America just isn't rising to the greatest economic challenge in 70 years." The bill does not contain enough spending and contains too much in tax cuts to do the job, he said.

The tax cuts, much of the money from which Americans will save rather than spend, was the price Obama paid to try getting Republican support, of course. But it was a mighty high price for only three senators. And now we see people complaining about the bill's costs to future generations who only a few years ago were happy to boost the debt \$2 trillion for President Bush's tax cuts and another \$1 trillion for his war in Iraq.

" 'It's generational theft,' said Senator John McCain," Krugman wrote, "just a few days after voting for tax cuts that would, over the next decade, have cost about four times as much."

The tax cuts in the bill President Obama signed Tuesday won't keep Idaho teachers from being laid off and students from being crammed into larger classes, although they represent about \$300 billion of the bill's cost. It is the spending part of the legislation that will do that, resulting in what state school Superintendent Tom Luna Tuesday called "a good thing for education."

What economists like Krugman say is that more of such good things are needed.

It has become conventional wisdom these days that President Franklin Roosevelt's New Deal spending plans did not lift the country out of the Great Depression, and that it took World War II to do that. What was World War II, however, but an even

bigger infusion of government spending into the economy than anything Roosevelt dared suggest before?

And does anyone believe that money spent on a destructive enterprise like war is more therapeutic to a troubled economy than an equal amount spent on constructive domestic programs?

That's something to remember as you hear the architects of the last decade's needless debt complain today about the smaller one being created to help prevent or reduce untold degrees of human misery. - J.F.