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Midlands Voices: Stimulus will only put off the recovery

BY STEVE KING

There is an old saying that you may have heard your grandmother or a high school history teacher recite at some point: "Those who cannot remember the past, are condemned to repeat it."

After House Speaker Nancy Pelosi recently muscled a 647-page, \$819 billion economic "stimulus" bill through the House, that simple statement seems more appropriate now than ever. Pelosi and other liberals in Congress believe that growing government is the way to solve the economic problems our country currently faces.

Unfortunately, this economic philosophy is straight out of the failed Great Depression-era playbook. The United States tried massive government spending to solve economic problems in the 1930s. Today, we call the result the Great Depression.

President Franklin D. Roosevelt had tremendous leadership skills and inspired many Americans. But historians often inflate or overlook the true economic record of his time in office. Roosevelt tried one big government program after another, with poor results.

Throughout the 1930s, the unemployment rate never dipped below 14 percent. FDR's tinkering with the free market frustrated investors, and the 1929 high point for the Dow Jones industrial average was not reached again until 1954.

Many of Roosevelt's programs and initiatives led the government to compete directly with the private sector for capital and workers, with Washington making the rules.

The short-term result of FDR's spending was minimal. Food shortages remained, millions of Americans still lacked jobs and true recovery did not occur. In the long run, FDR's stimulus led to higher tax rates and greater government involvement in Americans' lives.

These days, Washington is engaged in a serious debate about which economic path America should pursue. Some are advocating for the command-and-control, socialist approach found in Europe. Others, like me, are defending free-market capitalism.

Growing government as a means to stimulate the economy has always delayed the recovery. The private sector should bring economic solutions, not government.

Speaker Pelosi and liberals in Congress are pushing hard for more government programs and spending. The "stimulus" bill she personally shepherded through the House contained hundreds of billions of dollars in record deficit spending that would fund only federal subsidies, pet projects and more bureaucracy.

The level of pork-barrel spending in the House bill is unprecedented. A few examples: \$335 million for sexually transmitted disease education and prevention programs; \$50 million for the National Endowment for the Arts; \$400 million for NASA climate change research; and \$150 million for building repairs at the Smithsonian Institution.

The nonpartisan Congressional Budget Office estimated that the debt incurred to pay for the bill would add another \$347 billion to its cost, raising the total cost to \$1.165 trillion.

If this bill passes, our grandchildren will inherit a country further in debt and less able to grow out of a crisis. Pelosi and liberals in the House want a far bigger New Deal than the old New Deal, the instrument most responsible for the delay of our recovery from the Depression.

A true short-term, market-based stimulus would include capital-gains tax elimination and more tax relief for small-business owners. Pulling capital off the sidelines and back into our markets is the best way to boost the economy.

Right now, the last thing we need is big spending and more government programs. Should Congress follow that failed path, we risk making the mistakes of the turbulent 1930s.

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