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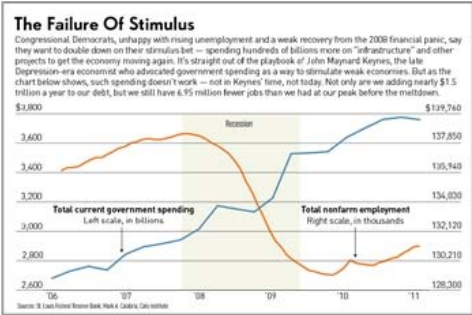
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# Democrats' Tax-And-Spend Insanity

Posted 06/10/2011 07:02 PM ET



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stimulus package that would include significant new spending on roads and other infrastructure, paid for by closing various tax loopholes.

Sen. Tom Harkin, D-Iowa, told the publication that "the last election was about jobs and the economy, and now we're in a position where we really do need some economic pump-priming by the federal government."

Has Harkin been asleep for the past two years? Doesn't he remember that Democrats already pushed through \$830 billion worth of "pump priming"? And that this was supposed to stimulate growth and hold unemployment under 8%?

Instead, quarterly GDP growth has averaged an anemic 2.8% since the recession officially ended two years ago, and unemployment has been at or above 9% for all but two of the past 24 months.

Indeed, few ideas have been so thoroughly discredited as the one that says more government spending will increase jobs. As the chart above shows, government outlays climbed more than 40% between 2006 and 2011. At the same time, the employment figure has dropped by almost 5 million.

The Cato Institute's Mark Calabria, who pulled the data together for the chart, is quick to point out that just because there's a correlation between rising government spending and falling jobs doesn't mean there's a causal relationship.

However, he says, it does "suggest to me that continued massive government spending is not going to turn around the job market."

Calabria is being overly cautious.

**Leadership:** You have to wonder who's advising Democrats these days. With the economy stuck in a two-year, Obama-dug rut, their only new economic growth idea is to raise taxes and hike federal spending.

According to The Hill, Democrats are so frustrated with President Obama's "passivity on the economy" that they're actively working on a fresh

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In our view, the chart doesn't just suggest anything. It practically screams that government spending won't create jobs. If it did, there's no way we'd see so many unemployed today after wildly increasing federal outlays.

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Nor would we have a record number of long-term unemployed — 6.2 million unemployed, or 46.1% of all those without jobs, have been out of work for 27 weeks or more.

Plus, there's a growing body of economic research showing the stimulus failed to stimulate anything.

The Hoover Institution's John Cogan and John Taylor found zero effect one way or another from the stimulus. And a more recent study by Timothy Conley of the University of Western Ontario and Bill Dupor of Ohio State actually found a negative correlation between federal stimulus spending and private-sector job growth. That suggests more spending actually kills jobs.

The only reason other studies show that the stimulus "saved or created" jobs is because they use economic models preprogrammed to show job growth from extra government spending.

But Democrats, from Obama on down, are so wedded to the idea that a bigger government equals a better economy that they simply refuse to see any of this.

While Obama pays lip service to the need to get federal spending and debt under control, he continues to plead for more money for clean energy and education, paid for with tax hikes on rich.

"We could decide," he said last week, "that we can't afford to make any of these investments, and those of us who've done very well don't have to pay any more taxes in order to fund these investments. But I want to make clear, that's not our history."

Senate Commerce Committee Chairman Jay Rockefeller, D-W.Va., best summed up his party's current mindset.

He told the Hill that the new spending proposal was gaining traction among Senate Democrats worried about ongoing job losses because "there's no other way to get at this problem."

No other way?

The classic definition of insanity is doing the same thing over and over again while expecting different results. At the moment, that seems a fitting description for the Democratic Party's economic agenda.

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Posted By: 3stixsays(850) on 6/12/2011 | 9:53 PM ET

tscottme-- Adding nuance and sophistication to the calculations won't create any jobs except for those massage the numbers with nuance and sophistication. You can't change the math to fit your hypothesis and you can't fix stupid. bill.n - you might as well direct us back to your home planet (The Daily Kos) as to that worthless article you cited. To you and your fellow travellers: in 2012 the adults are coming to take charge. All unattended children will be sent home without cash su

Posted By: Imprimis(460) on 6/12/2011 | 12:13 PM ET

Before there is new stimulus spending how about accounting for the prior stimulus, where did the money go and what worked and what didn't work. Let's make the stimulus voluntary and see who contributes after all if it's such a good idea everyone will want to be in on it.

Posted By: BaltimoreJoe(3695) on 6/12/2011 | 12:05 PM ET

Obama told the "New Yorker" magazine there's no such thing as a shovel-ready job. And the "stimulus" became the new baseline for federal spending, so in effect it is \$2.4 trillion that the government has flushed down the toilet.

Posted By: Brownknows(3970) on 6/11/2011 | 7:04 PM ET

Obama couldn't get a job in the private sector except as a lobbyist. Ideologues rarely have real life experience, and they are blind to the reality of results, because in their minds, it did work. Even when they are colossal failures like Obama's policies. We need to change policies or change policy makers.

Posted By: bill.n(5) on 6/11/2011 | 2:17 PM ET

<http://thinkprogress.org/yglesias/2011/06/10/241756/spending-and-jobs/>

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