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## Saturday, February 27, 2010

### Senator Bunning's Unappreciated Gifts [Alan Reynolds]

Sen. Jim Bunning (R., Ky.) blocked "extended" [unemployment benefits](#) beyond their scheduled expiration on February 27. That thwarted bill would also have put off, again, a scheduled 21 percent cut in Medicare payments to physicians. Democrats were [outraged](#). But why?

Bunning just wanted to use leftover "stimulus" [money](#) to pay for the benefits. Why not? Such transfer payments accounted for [over 80 percent](#) of stimulus spending last year.

Besides, as [Federal Reserve policymakers](#) noted, the evidence is overwhelming (see [here](#) and [here](#)) that extending unemployment benefits from six months to nearly two years has *raised the unemployment rate* by a percentage point or two. I've waited [since 1991](#) for someone to prove I'm wrong about that. Nobody has, because nobody can.

If the maximum *duration* of [jobless benefits](#) were trimmed by 13 to 20 weeks (which is all that's at stake), they would still be far more extended than ever before. But the unemployment rate by the time of this November's elections would be *much lower* than otherwise. Would Democrats prefer to go into the elections with an unemployment rate near 10 percent or a rate below 9 percent?

As for Medicare, slashing payments to physicians is the Democrats' favorite way of paying for [expanding Medicaid](#) enrollment and health-insurance subsidies for the non-poor. If they really think that will work, how can they possibly object to saving money sooner rather than later?

— Alan Reynolds, NATIONAL REVIEW's economics editor from 1972 to 1976, is a senior fellow with the Cato Institute.

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