

The so-called "stimulus" has been panned recently for being ineffective, slow-moving and even for making things worse.

[Washington Post](#) : Five months after Congress approved a massive package of spending and tax cuts aimed at reviving an ailing economy, the jobless rate is still climbing and the White House is scrambling to reassure an anxious public that President Obama's prescription for economic recovery is on the right track.

Yesterday, Obama took time out of his first presidential trip to Moscow to defend the \$787 billion stimulus package, arguing that the measure was the right medicine at the right time. "There's nothing that we would have done differently," he told ABC News.

Back in Washington, senior Democrats on Capitol Hill were nervously contemplating whether additional government stimulus spending may be needed to pull the nation out of the worst recession since the 1930s.

[Wall Street Journal](#) : With the economy weak and the labor market continuing to decline, there is now talk of a second stimulus (which is actually the third, counting President Bush's 2008 tax rebates). This would be a mistake. The truth is there hasn't been any stimulus to speak of so far this year. Moreover, what's being called stimulus is just a smoke screen for a permanent expansion of government...

Congress and the Obama administration have used the economic downturn as an excuse to expand the size of government. Calling it a stimulus, they have instead put in place a spending agenda that will unfold over the next two years. Although a little over one-third of the American Recovery and Reinvestment Act of 2009 goes to tax relief, the rest is in the form of spending programs that will be difficult to stop once they are up and running.

Only a small share of the spending will occur in 2009, even though Keynesians would argue that stimulus spending should be frontloaded to kick-start growth. The Congressional Budget Office estimates that the largest share of the spending will occur in 2010, with the amount in 2011 being slightly larger than in 2009. Again, the timing exacerbates the problem: It will be

tough to cut back on spending written into budgets as far out as 2011.

Additional evidence that the Obama administration wants to expand government rather than stimulate the economy comes from the president's own statements about deficit reduction. When the budget came out, he announced a goal of reducing the deficit to around 4% of GDP by 2013, at which point the administration believes the economy will be fully recovered. Yet to keep the ratio of public debt to GDP constant, the deficit must actually stay below about 2.7%.

[Washington Times](#) : It should come as no surprise that the stimulus has made things worse. The government is not creating jobs so much as it is reallocating resources in the economy. The stimulus moves around almost a trillion dollars from what Americans would have spent it on to things that the government prioritizes. Naturally, such central direction of the economy also moves jobs. Moving people from one job to another temporarily generates unemployment.

Administration officials simply made promises they couldn't keep. On Jan. 25, Lawrence H. Summers, the White House chief economic adviser, said that the economy would start improving "within weeks" of the stimulus plan being passed. "If we fail to act, we are likely to lose millions more jobs, and the unemployment rate could reach double digits," Christina Romer, chairman of the President's Council of Economic Advisers, warned on Feb. 4. At the end of May, President Obama was declaring that "we are already seeing results" from the stimulus working.

The House Republican Conference [created a video](#) in response to President Obama's assertion that the stimulus had "done its job:"

As Congressman Pence [said on the floor of the U.S. House this morning](#) ,

"The American people are hurting. They deserve a real plan for a real recovery, not more spending, more taxes, more debt and more unemployment."