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# A 40-Year Wish List

*You won't believe what's in that stimulus bill.*

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*"Never let a serious crisis go to waste. What I mean by that is it's an opportunity to do things you couldn't do before."*

So said White House Chief of Staff Rahm Emanuel in November, and Democrats in Congress are certainly taking his advice to heart. The 647-page, $825 billion House legislation is being sold as an economic "stimulus," but now that Democrats have finally released the details we understand Rahm's point much better. This is a political wonder that manages to spend money on just about every pent-up Democratic proposal of the last 40 years.

AP

We've looked it over, and even we can't quite believe it. There's $1 billion for Amtrak, the federal railroad that hasn't turned a profit in 40 years; $2 billion for child-care subsidies; $50 million for that great engine of job creation, the National Endowment for the Arts; $400 million for global-warming research and another $2.4 billion for carbon-capture demonstration projects. There's even $650 million on top of the billions already doled out to pay for digital TV conversion coupons.

In selling the plan, President Obama has said this bill will make "dramatic investments to revive our flagging economy." Well, you be the judge. Some $30 billion, or less than 5% of the spending in the bill, is for fixing bridges or other highway projects. There's another $40 billion for broadband and electric grid development, airports and clean water projects that are arguably worthwhile priorities.

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Add the roughly $20 billion for business tax cuts, and by our estimate only $90 billion out of $825 billion, or about 12 cents of every $1, is for something that can plausibly be considered a growth stimulus. And even many of these projects aren't likely to help the economy immediately. As Peter Orszag, the President's new budget director, told Congress a year ago, "even those [public works] that are 'on the shelf' generally cannot be undertaken quickly enough to provide timely stimulus to the economy."

**Political Stimulation**

Transfer payment increases that are part of the House version of the American Recovery and Reinvestment Act of 2009, in billions

| | |
|---|---|
| Refundable tax credits | $82.7 |
| Medicaid | 81 |
| Food stamps | 20 |
| Public housing | 7.5 |
| COBRA insurance extension | 30.3 |
| Unemployment insurance | 36 |
| Additional SSI payments | 4.2 |
| Welfare cash payments | 2.5 |
| Nutrition programs | 1.0 |

Source: House and Senate Budget Committee minority

Most of the rest of this project spending will go to such things as renewable energy funding ($8 billion) or mass transit ($6 billion) that have a low or negative return on investment. Most urban transit systems are so badly managed that their fares cover less than half of their costs. However, the people who operate these systems belong to public-employee unions that are campaign contributors to . . . guess which party?

Here's another lu-lu: Congress wants to spend $600 million more for the federal government to buy new cars. Uncle Sam already spends $3 billion a year on its fleet of 600,000 vehicles. Congress also wants to spend $7 billion for modernizing federal buildings and facilities. The Smithsonian is targeted to receive $150 million; we love the Smithsonian, too, but this is a job creator?

Another "stimulus" secret is that some $252 billion is for income-transfer payments -- that is, not investments that arguably help everyone, but cash or benefits to individuals for

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doing nothing at all. There's $81 billion for Medicaid, $36 billion for expanded unemployment benefits, $20 billion for food stamps, and $83 billion for the earned income credit for people who don't pay income tax. While some of that may be justified to help poorer Americans ride out the recession, they aren't job creators.

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As for the promise of accountability, some $54 billion will go to federal programs that the Office of Management and Budget or the Government Accountability Office have already criticized as "ineffective" or unable to pass basic financial audits. These include the Economic Development Administration, the Small Business Administration, the 10 federal job training programs, and many more.

Oh, and don't forget education, which would get $66 billion more. That's more than the entire Education Department spent a mere 10 years ago and is on top of the doubling under President Bush. Some $6 billion of this will subsidize university building projects. If you think the intention here is to help kids learn, the House declares on page 257 that "No recipient . . . shall use such funds to provide financial assistance to students to attend private elementary or secondary schools." Horrors: Some money might go to nonunion teachers.

The larger fiscal issue here is whether this spending bonanza will become part of the annual "budget baseline" that Congress uses as the new floor when calculating how much to increase spending the following year, and into the future. Democrats insist that it will not. But it's hard -- no, impossible -- to believe that Congress will cut spending next year on any of these programs from their new, higher levels. The likelihood is that this allegedly emergency spending will become a permanent addition to federal outlays -- increasing pressure for tax increases in the bargain. Any Blue Dog Democrat who votes for this ought to turn in his "deficit hawk" credentials.

This is supposed to be a new era of bipartisanship, but this bill was written based on the wish list of every living -- or dead -- Democratic interest group. As Speaker Nancy Pelosi put it, "We won the election. We wrote the bill." So they did. Republicans should let them take all of the credit.

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