

# End The Spending

**Leadership:** In times like these, what's another \$500 billion between friends? Or so it seems. The administration seeks another bailout, this one for the FDIC, and warns of peril otherwise. Where will it end?

**A**fter a string of federal spending packages, the American Institute for Economic Research now estimates new federal bailout and spending commitments at \$8 trillion. The list includes bank bailouts, auto bailouts, Freddie Mac and Fannie Mae cleanups, the Term Asset-Backed Securities Loan Facility and other "rescues" of troubled sectors.

It doesn't even include a "stimulus plan" filled to the gills with earmarks for such can't-do-without projects as a mob museum in Las Vegas. No project, it seems, is too small for a bailout or an earmark. All of it extends the hand of government across the economy.

Take a look at some of the bombshells released recently:

- \$500 billion in loans to shore up the Federal Deposit Insurance Corporation, which guarantees bank deposits.

- An ill-defined \$1 trillion bank bailout proposed by Treasury Secretary Timothy Geithner, who doesn't seem sure what he would use it for, only that he has to have the money.

- A fat-laden \$787 billion stimulus package that includes mortgage bailouts, rewritten contracts and judges repricing bad debts from those who bought more house than they could afford.

- An even porkier \$410 billion omnibus bill to fulfill nondirect federal spending with 8,570 earmarks for pet projects not even remotely connected to any economic recovery.

Federal money is pouring out so fast you'd think the economy had been hit by a nuclear bomb instead of battered by a housing downturn and weak corporate balance sheets.

The economy can recover on its own, and there are signs it's doing just that. Cost-cutting, debt-repayment and productivity gains all restore the economy without government help.

But that's the opposite of what Congress is doing. In this time of supposed emergency where belt-tightening is expected, the big spenders in Congress are instead throwing themselves a party.

Perhaps the economy will survive this spending bacchanalia, but the stock market isn't encouraged. As Obama and Congress fiddle, some \$3 trillion in stock market wealth has been burned up in the space of just four months. Not hard to figure why: All of the trillions spent now will have to be repaid in the future.

The cash will come from Americans' pockets, through tax hikes and higher inflation. We'll also put out a "for sale" sign for China, which will have to finance our profligacy by buying our bonds.

What will be lost is money — money Americans could have spent themselves, invested, or just saved for the uncertainties of the future or for retirement. Color it gone.

This lavish government spending will add neither to our wealth nor to our standards of living. It won't contribute to productivity gains that lower costs and truly spread the wealth to the poor. It won't encourage savings or lift anyone out of poverty. It won't create new goods and services. And it will never bring progress.

Washington's spendathon offers nothing of value. It will calcify and institutionalize a government-directed economy, costing us decades of the private-sector advances we've grown to expect.

It's got to stop, not only because the repeated splurges have caused Congress to lose all sense of what money's worth, but because it's likely to continue. In that spirit, we support House Minority Leader John Boehner's call for a spending freeze on Friday.

More uncontrolled spending will mean a weaker recovery, and our children and grandchildren will get stuck with the bill. Thanks to this Congress, they'll have the sad distinction of being the first generation ever without hope of doing better than their parents.