

“There is no disagreement that we need action by our government, a recovery plan that will help to jumpstart the economy.”

— PRESIDENT-ELECT BARACK OBAMA, JANUARY 9, 2009

# With all due respect Mr. President, that is not true.

Notwithstanding reports that all economists are now Keynesians and that we all support a big increase in the burden of government, we the undersigned do not believe that more government spending is a way to improve economic performance. More government spending by Hoover and Roosevelt did not pull the United States economy out of the Great Depression in the 1930s. More government spending did not solve Japan's "lost decade" in the 1990s. As such, it is a triumph of hope over experience to believe that more government spending will help the U.S. today. To improve the economy, policy makers should focus on reforms that remove impediments to work, saving, investment and production. Lower tax rates and a reduction in the burden of government are the best ways of using fiscal policy to boost growth.

BURTON ABRAMS, <i>Univ. of Delaware</i>	CHRISTOPHER DOUGLAS, <i>Univ. of Michigan, Flint</i>	ROGER KOPPL, <i>Fairleigh Dickinson University</i>	BARRY POULSON, <i>Univ. of Colorado at Boulder</i>
DOUGLAS ADIE, <i>Ohio University</i>	FLOYD DUNCAN, <i>Virginia Military Institute</i>	KISHORE KULKARNI, <i>Metropolitan State College of Denver</i>	BENJAMIN POWELL, <i>Suffolk University</i>
RYAN AMACHER, <i>Univ. of Texas at Arlington</i>	FRANCIS EGAN, <i>Trinity College</i>	DEEPAK LAL, <i>UCLA</i>	EDWARD PRESCOTT, <i>Nobel laureate</i>
J.J. ARIAS, <i>Georgia College &amp; State University</i>	JOHN EGGER, <i>Towson University</i>	GEORGE LANGELETT, <i>South Dakota State University</i>	GARY QUINLIVAN, <i>Saint Vincent College</i>
HOWARD BAETJER, JR., <i>Towson University</i>	KENNETH ELZINGA, <i>Univ. of Virginia</i>	JAMES LARRIVIERE, <i>Spring Hill College</i>	REZA RAMAZANI, <i>Saint Michael's College</i>
STACIE BECK, <i>Univ. of Delaware</i>	PAUL EVANS, <i>Ohio State University</i>	ROBERT LAWSON, <i>Capital University</i>	ADRIANO RAMPINI, <i>Duke University</i>
DON BELLANTE, <i>Univ. of South Florida</i>	EUGENE FAMA, <i>Univ. of Chicago</i>	JOHN LEVENDIS, <i>Loyola University New Orleans</i>	ERIC RASMUSEN, <i>Indiana University</i>
JAMES BENNETT, <i>George Mason University</i>	W. KEN FARR, <i>Georgia College &amp; State University</i>	DAVID LEVINE, <i>Washington University in St. Louis</i>	MARIO RIZZO, <i>New York University</i>
BRUCE BENSON, <i>Florida State University</i>	HARTMUT FISCHER, <i>Univ. of San Francisco</i>	PETER LEWIN, <i>Univ. of Texas at Dallas</i>	RICHARD ROLL, <i>Univ. of California, Los Angeles</i>
SANJAI BHAGAT, <i>Univ. of Colorado at Boulder</i>	FRED FOLDVARY, <i>Santa Clara University</i>	DEAN LILLARD, <i>Cornell University</i>	ROBERT ROSSANA, <i>Wayne State University</i>
MARK BILS, <i>Univ. of Rochester</i>	MURRAY FRANK, <i>Univ. of Minnesota</i>	ZHENG LIU, <i>Emory University</i>	JAMES ROUMASSET, <i>Univ. of Hawaii at Manoa</i>
ALBERTO BISIN, <i>New York University</i>	PETER FRANK, <i>Wingate University</i>	ALAN LOCKARD, <i>Binghamton University</i>	JOHN ROWE, <i>Univ. of South Florida</i>
WALTER BLOCK, <i>Loyola University New Orleans</i>	TIMOTHY FUERST, <i>Bowling Green State University</i>	EDWARD LOPEZ, <i>San Jose State University</i>	CHARLES ROWLEY, <i>George Mason University</i>
CECIL BOHANON, <i>Ball State University</i>	B. DELWORTH GARDNER, <i>Brigham Young University</i>	JOHN LUNN, <i>Hope College</i>	JUAN RUBIO-RAMIREZ, <i>Duke University</i>
MICHELE BOLDRIN, <i>Washington University in St. Louis</i>	JOHN GAREN, <i>Univ. of Kentucky</i>	GLENN MACDONALD, <i>Washington University in St. Louis</i>	ROY RUFFIN, <i>Univ. of Houston</i>
DONALD BOOTH, <i>Chapman University</i>	RICK GEDDES, <i>Cornell University</i>	MICHAEL MARLOW, <i>California Polytechnic State University</i>	KEVIN SALTER, <i>Univ. of California, Davis</i>
MICHAEL BORDO, <i>Rutgers University</i>	AARON GELLMAN, <i>Northwestern University</i>	DERYL MARTIN, <i>Tennessee Tech University</i>	PAVEL SAVOR, <i>Univ. of Pennsylvania</i>
SAMUEL BOSTAPH, <i>Univ. of Dallas</i>	WILLIAM GERDES, <i>Clarke College</i>	DALE MATCHECK, <i>Northwood University</i>	RONALD SCHMIDT, <i>Univ. of Rochester</i>
SCOTT BRADFORD, <i>Brigham Young University</i>	MICHAEL GIBBS, <i>Univ. of Chicago</i>	DEIRDRE MCCLOSKEY, <i>Univ. of Illinois, Chicago</i>	CARLOS SEIGLIE, <i>Rutgers University</i>
GENEVIEVE BRIAND, <i>Eastern Washington University</i>	STEPHAN GOHMANN, <i>Univ. of Louisville</i>	JOHN MCDERMOTT, <i>Univ. of South Carolina</i>	WILLIAM SHUGHART II, <i>Univ. of Mississippi</i>
GEORGE BROWER, <i>Moravian College</i>	RODOLFO GONZALEZ, <i>San Jose State University</i>	JOSEPH MCGARRITY, <i>Univ. of Central Arkansas</i>	CHARLES SKIPTON, <i>Univ. of Tampa</i>
JAMES BUCHANAN, <i>Nobel laureate</i>	RICHARD GORDON, <i>Penn State University</i>	ROGER MEINERS, <i>Univ. of Texas at Arlington</i>	JAMES SMITH, <i>Western Carolina University</i>
RICHARD BURDEKIN, <i>Claremont McKenna College</i>	PETER GORDON, <i>Univ. of Southern California</i>	ALLAN MELTZER, <i>Carnegie Mellon University</i>	VERNON SMITH, <i>Nobel laureate</i>
HENRY BUTLER, <i>Northwestern University</i>	ERNE GOSS, <i>Creighton University</i>	JOHN MERRIFIELD, <i>Univ. of Texas at San Antonio</i>	LAWRENCE SOUTHWICK, JR., <i>Univ. at Buffalo</i>
WILLIAM BUTOS, <i>Trinity College</i>	PAUL GREGORY, <i>Univ. of Houston</i>	JAMES MILLER III, <i>George Mason University</i>	DEAN STANSEL, <i>Florida Gulf Coast University</i>
PETER CALCAGNO, <i>College of Charleston</i>	EARL GRINOLS, <i>Baylor University</i>	JEFFREY MIRON, <i>Harvard University</i>	HOUSTON STOKES, <i>Univ. of Illinois at Chicago</i>
BRYAN CAPLAN, <i>George Mason University</i>	DANIEL GROPPER, <i>Auburn University</i>	THOMAS MOELLER, <i>Texas Christian University</i>	BRIAN STROW, <i>Western Kentucky University</i>
ART CARDEN, <i>Rhodes College</i>	R.W. HAFER, <i>Southern Illinois University, Edwardsville</i>	JOHN MOORHOUSE, <i>Wake Forest University</i>	SHIRLEY SVORNY, <i>California State University, Northridge</i>
JAMES CARDON, <i>Brigham Young University</i>	ARTHUR HALL, <i>Univ. of Kansas</i>	ANDREA MORO, <i>Vanderbilt University</i>	JOHN TATOM, <i>Indiana State University</i>
DUSTIN CHAMBERS, <i>Salisbury University</i>	STEVE HANKE, <i>John Hopkins</i>	ANDREW MORRIS, <i>Univ. of Illinois at Urbana-Champaign</i>	WADE THOMAS, <i>State University of New York at Oneonta</i>
EMILY CHAMLEE-WRIGHT, <i>Beloit College</i>	STEPHEN HAPPEL, <i>Arizona State University</i>	MICHAEL MUNGER, <i>Duke University</i>	HENRY THOMPSON, <i>Auburn University</i>
V.V. CHARI, <i>Univ. of Minnesota</i>	FRANK HEFNER, <i>College of Charleston</i>	KEVIN MURPHY, <i>Univ. of Southern California</i>	ALEX TOKAREV, <i>The King's College</i>
BARRY CHISWICK, <i>Univ. of Illinois at Chicago</i>	RONALD HEINER, <i>George Mason University</i>	RICHARD MUTH, <i>Emory University</i>	EDWARD TOWER, <i>Duke University</i>
LAWRENCE CIMA, <i>John Carroll University</i>	DAVID HENDERSON, <i>Hoover Institution, Stanford University</i>	CHARLES NELSON, <i>Univ. of Washington</i>	LEO TROY, <i>Rutgers University</i>
J.R. CLARK, <i>Univ. of Tennessee at Chattanooga</i>	ROBERT HERREN, <i>North Dakota State University</i>	SETH NORTON, <i>Wheaton College</i>	DAVID TUERCK, <i>Suffolk University</i>
GIAN LUCA CLEMENTI, <i>New York University</i>	GAILLEN HITE, <i>Columbia University</i>	LEE OHANIAN, <i>Univ. of California, Los Angeles</i>	CHARLOTTE TWIGHT, <i>Boise State University</i>
R. MORRIS COATS, <i>Nicholls State University</i>	STEVEN HORWITZ, <i>St. Lawrence University</i>	LYDIA ORTEGA, <i>San Jose State University</i>	KAMAL UPADHYAYA, <i>Univ. of New Haven</i>
JOHN COCHRAN, <i>Metropolitan State College</i>	JOHN HOWE, <i>Univ. of Missouri, Columbia</i>	EVAN OSBORNE, <i>Wright State University</i>	CHARLES UPTON, <i>Kent State University</i>
JOHN COCHRANE, <i>Univ. of Chicago</i>	JEFFREY HUMMEL, <i>San Jose State University</i>	RANDALL PARKER, <i>East Carolina University</i>	T. NORMAN VAN COTT, <i>Ball State University</i>
JOHN COGAN, <i>Hoover Institution, Stanford University</i>	BRUCE HUTCHINSON, <i>Univ. of Tennessee at Chattanooga</i>	DONALD PARSONS, <i>George Washington University</i>	RICHARD VEDDER, <i>Ohio University</i>
JOHN COLEMAN, <i>Duke University</i>	BRIAN JACOBSEN, <i>Wisconsin Lutheran College</i>	SAM PELTZMAN, <i>Univ. of Chicago</i>	RICHARD WAGNER, <i>George Mason University</i>
BOYD COLLIER, <i>Tarleton State University</i>	JASON JOHNSTON, <i>Univ. of Pennsylvania</i>	MARK PERRY, <i>Univ. of Michigan, Flint</i>	DOUGLAS M. WALKER, <i>College of Charleston</i>
ROBERT COLLINGE, <i>Univ. of Texas at San Antonio</i>	BOYAN JOVANOVIC, <i>New York University</i>	CHRISTOPHER PHELAN, <i>Univ. of Minnesota</i>	DOUGLAS O. WALKER, <i>Regent University</i>
LEE COPPOCK, <i>Univ. of Virginia</i>	JONATHAN KARPOFF, <i>Univ. of Washington</i>	GORDON PHILLIPS, <i>Univ. of Maryland</i>	CHRISTOPHER WESTLEY, <i>Jacksonville State University</i>
MARIO CRUCINI, <i>Vanderbilt University</i>	BARRY KEATING, <i>Univ. of Notre Dame</i>	MICHAEL PIPPENGER, <i>Univ. of Alaska, Fairbanks</i>	LAWRENCE WHITE, <i>Univ. of Missouri at St. Louis</i>
CHRISTOPHER CULP, <i>Univ. of Chicago</i>	NAVEEN KHANNA, <i>Michigan State University</i>	TOMASZ PISKORSKI, <i>Columbia University</i>	WALTER WILLIAMS, <i>George Mason University</i>
KIRBY CUNDIFF, <i>Northeastern State University</i>	NICHOLAS KIEFER, <i>Cornell University</i>	BRENNAN PLATT, <i>Brigham Young University</i>	DOUG WILLS, <i>Univ. of Washington Tacoma</i>
ANTONY DAVIES, <i>Duquesne University</i>	DANIEL KLEIN, <i>George Mason University</i>	JOSEPH POMYKALA, <i>Towson University</i>	DENNIS WILSON, <i>Western Kentucky University</i>
JOHN DAWSON, <i>Appalachian State University</i>	DANIEL KLEIN, <i>George Mason University</i>	WILLIAM POOLE, <i>Univ. of Delaware</i>	GARY WOLFRAM, <i>Hillsdale College</i>
CLARENCE DEITSCH, <i>Ball State University</i>	PAUL KOCH, <i>Univ. of Kansas</i>		HUIZHONG ZHOU, <i>Western Michigan University</i>
ARTHUR DIAMOND, JR., <i>Univ. of Nebraska at Omaha</i>	NARAYANA KOCHERLAKOTA, <i>Univ. of Minnesota</i>		
JOHN DOBRA, <i>Univ. of Nevada, Reno</i>	MAREK KOLAR, <i>Delta College</i>		
JAMES DORN, <i>Towson University</i>			

CATO  
INSTITUTE

PAID FOR BY THE CATO INSTITUTE, WWW.CATO.ORG