

“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, policymakers 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, *Univ. of Delaware*  
DOUGLAS ADIE, *Ohio University*  
LEE ADKINS, *Oklahoma State University*  
WILLIAM ALBRECHT, *Univ. of Iowa*  
RYAN AMACHER, *Univ. of Texas at Arlington*  
J.J. ARIAS, *Georgia College & State University*  
HOWARD BAETJER, JR., *Towson University*  
CHARLES BAIRD, *California State University, East Bay*  
STACIE BECK, *Univ. of Delaware*  
DON BELLANTE, *Univ. of South Florida*  
JAMES BENNETT, *George Mason University*  
BRUCE BENSON, *Florida State University*  
SANJAI BHAGAT, *Univ. of Colorado at Boulder*  
MARK BILS, *Univ. of Rochester*  
ALBERTO BISIN, *New York University*  
WALTER BLOCK, *Loyola University New Orleans*  
CECIL BOHANON, *Ball State University*  
MICHELE BOLDRIN, *Washington University in St. Louis*  
DONALD BOOTH, *Chapman University*  
MICHAEL BORDO, *Rutgers University*  
SAMUEL BOSTAPH, *Univ. of Dallas*  
DONALD BOUDREAU, *George Mason University*  
SCOTT BRADFORD, *Brigham Young University*  
GENEVIEVE BRIAND, *Eastern Washington University*  
IVAN BRICK, *Rutgers University*  
GEORGE BROWER, *Moravian College*  
PHILLIP BRYSON, *Brigham Young University*  
JAMES BUCHANAN, *Nobel laureate*  
RICHARD BURDEKIN, *Claremont McKenna College*  
RICHARD BURKHAUSER, *Cornell University*  
EDWIN T. BURTON, *Univ. of Virginia*  
JIM BUTKIEWICZ, *Univ. of Delaware*  
HENRY BUTLER, *Northwestern University*  
WILLIAM BUTOS, *Trinity College*  
PETER CALCAGNO, *College of Charleston*  
BRYAN CAPLAN, *George Mason University*  
ART CARDEN, *Rhodes College*  
JAMES CARDON, *Brigham Young University*  
DUSTIN CHAMBERS, *Salisbury University*  
EMILY CHAMLEE-WRIGHT, *Beloit College*  
V.V. CHARI, *Univ. of Minnesota*  
BARRY CHISWICK, *Univ. of Illinois at Chicago*  
LAWRENCE CIMA, *John Carroll University*  
J.R. CLARK, *Univ. of Tennessee at Chattanooga*  
GIAN LUCA CLEMENTI, *New York University*  
R. MORRIS COATS, *Nicholls State University*  
JOHN COCHRAN, *Metropolitan State College at Denver*  
JOHN COCHRANE, *Univ. of Chicago*  
JOHN COGAN, *Hoover Institution, Stanford University*  
LLOYD COHEN, *George Mason University*  
JOHN COLEMAN, *Duke University*  
BOYD COLLIER, *Tarleton State University*  
ROBERT COLLINGE, *Univ. of Texas at San Antonio*  
PETER COLWELL, *Univ. of Illinois at Urbana-Champaign*  
MICHAEL CONNOLLY, *Univ. of Miami*  
LEE COPPOCK, *Univ. of Virginia*  
MARIO CRUCINI, *Vanderbilt University*  
CHRISTOPHER CULP, *Univ. of Chicago*  
KIRBY CUNDIFF, *Northeastern State University*  
ANTONY DAVIES, *Duquesne University*  
JOHN DAWSON, *Appalachian State University*  
A. EDWARD DAY, *Univ. of Texas at Dallas*  
CLARENCE DEITSCH, *Ball State University*

ALLAN DESERPA, *Arizona State University*  
WILLIAM DEWALD, *Ohio State University*  
ARTHUR DIAMOND, JR., *Univ. of Nebraska at Omaha*  
JOHN DOBRA, *Univ. of Nevada, Reno*  
JAMES DORN, *Towson University*  
CHRISTOPHER DOUGLAS, *Univ. of Michigan, Flint*  
FLOYD DUNCAN, *Virginia Military Institute*  
FRANCIS EGAN, *Trinity College*  
JOHN EGGER, *Towson University*  
KENNETH ELZINGA, *Univ. of Virginia*  
PAUL EVANS, *Ohio State University*  
FRANK FALERO, *California State University, Bakersfield*  
EUGENE FAMA, *Univ. of Chicago*  
W. KEN FARR, *Georgia College & State University*  
DANIEL FEENBERG, *National Bureau of Economic Research*  
HARTMUT FISCHER, *Univ. of San Francisco*  
ERIC FISHER, *California State Polytechnic University*  
FRED FOLDVARY, *Santa Clara University*  
MURRAY FRANK, *Univ. of Minnesota*  
PETER FRANK, *Wingate University*  
TIMOTHY FUERST, *Bowling Green State University*  
B. DELWORTH GARDNER, *Brigham Young University*  
JOHN GAREN, *Univ. of Kentucky*  
RICK GEDDES, *Cornell University*  
AARON GELLMAN, *Northwestern University*  
WILLIAM GERDES, *Clarke College*  
JOSEPH GIACALONE, *St. John's University*  
MICHAEL GIBBS, *Univ. of Chicago*  
OTIS GILLEY, *Louisiana Tech University*  
STEPHAN GOHMANN, *Univ. of Louisville*  
RODOLFO GONZALEZ, *San Jose State University*  
RICHARD GORDON, *Penn State University*  
PETER GORDON, *Univ. of Southern California*  
ERNE GOSS, *Creighton University*  
PAUL GREGORY, *Univ. of Houston*  
EARL GRINOLS, *Baylor University*  
DANIEL GROPPER, *Auburn University*  
R.W. HAFER, *Southern Illinois University, Edwardsville*  
ARTHUR HALL, *Univ. of Kansas*  
STEVE HANKE, *Johns Hopkins University*  
STEPHEN HAPPEL, *Arizona State University*  
RICHARD HART, *Miami University*  
THOMAS HAZLETT, *George Mason University*  
FRANK HEFNER, *College of Charleston*  
SCOTT HEIN, *Texas Tech University*  
RONALD HEINER, *George Mason University*  
DAVID HENDERSON, *Hoover Institution, Stanford University*  
ROBERT HERREN, *North Dakota State University*  
GAILEN HITE, *Columbia University*  
STEVEN HORWITZ, *St. Lawrence University*  
DANIEL HOUSER, *George Mason University*  
JOHN HOWE, *Univ. of Missouri, Columbia*  
JEFFREY HUMMEL, *San Jose State University*  
BRUCE HUTCHINSON, *Univ. of Tennessee at Chattanooga*  
BRIAN JACOBSEN, *Wisconsin Lutheran College*  
SHERRY JARRELL, *Wake Forest University*  
JASON JOHNSTON, *Univ. of Pennsylvania*  
BOYAN JOVANOVIC, *New York University*  
JONATHAN KARPOFF, *Univ. of Washington*  
BARRY KEATING, *Univ. of Notre Dame*  
NAVEEN KHANNA, *Michigan State University*

NICHOLAS KIEFER, *Cornell University*  
DANIEL KLEIN, *George Mason University*  
PAUL KOCH, *Univ. of Kansas*  
NARAYANA KOCHERLAKOTA, *Univ. of Minnesota*  
MAREK KOLAR, *Delta College*  
ROGER KOPPL, *Fairleigh Dickinson University*  
KISHORE KULKARNI, *Metropolitan State College of Denver*  
DEEPAK LAL, *UCLA*  
GEORGE LANGELETT, *South Dakota State University*  
JAMES LARRIVIERE, *Spring Hill College*  
ROBERT LAWSON, *Auburn University*  
JOHN LEVENDIS, *Loyola University New Orleans*  
DAVID LEVINE, *Washington University in St. Louis*  
PETER LEWIN, *Univ. of Texas at Dallas*  
W. CRIS LEWIS, *Utah State University*  
DEAN LILLARD, *Cornell University*  
ZHENG LIU, *Emory University*  
ALAN LOCKARD, *Binghamton University*  
EDWARD LOPEZ, *San Jose State University*  
JOHN R. LOTT, JR., *Univ. of Maryland*  
JOHN LUNN, *Hope College*  
GLENN MACDONALD, *Washington University in St. Louis*  
HENRY MANNE, *George Mason University*  
MICHAEL MARLOW, *California Polytechnic State University*  
DERYL MARTIN, *Tennessee Tech University*  
DALE MATCHECK, *Northwood University*  
JOHN MATSUSAKA, *Univ. of Southern California*  
THOMAS MAYOR, *Univ. of Houston*  
DEIRDRE MCCLOSKEY, *University of Illinois at Chicago*  
JOHN MCDERMOTT, *Univ. of South Carolina*  
JOSEPH MCGARRITY, *Univ. of Central Arkansas*  
ROGER MEINERS, *Univ. of Texas at Arlington*  
ALLAN MELTZER, *Carnegie Mellon University*  
JOHN MERRIFIELD, *Univ. of Texas at San Antonio*  
JAMES MILLER III, *George Mason University*  
JEFFREY MIROU, *Harvard University*  
THOMAS MOELLER, *Texas Christian University*  
JOHN MOORHOUSE, *Wake Forest University*  
ANDREA MORO, *Vanderbilt University*  
ANDREW MORRIS, *Univ. of Illinois at Urbana-Champaign*  
MICHAEL MUNGER, *Duke University*  
KEVIN MURPHY, *Univ. of Southern California*  
DAVID MUSTARD, *Univ. of Georgia*  
RICHARD MUTH, *Emory University*  
CHARLES NELSON, *Univ. of Washington*  
WILLIAM NISKANEN, *Cato Institute*  
SETH NORTON, *Wheaton College*  
LEE OHANIAN, *UCLA*  
LYDIA ORTEGA, *San Jose State University*  
EVAN OSBORNE, *Wright State University*  
RANDALL PARKER, *East Carolina University*  
ALLEN PARKMAN, *Univ. of New Mexico*  
DONALD PARSONS, *George Washington University*  
SAM PELTZMAN, *Univ. of Chicago*  
TIMOTHY PERRI, *Appalachian State University*  
MARK PERRY, *Univ. of Michigan, Flint*  
CHRISTOPHER PHELAN, *Univ. of Minnesota*  
GORDON PHILLIPS, *Univ. of Maryland*  
MICHAEL PIPPENGER, *Univ. of Alaska, Fairbanks*

TOMASZ PISKORSKI, *Columbia University*  
BRENNAN PLATT, *Brigham Young University*  
JOSEPH POMYKALA, *Towson University*  
WILLIAM POOLE, *Univ. of Delaware*  
BARRY POULSON, *Univ. of Colorado at Boulder*  
BENJAMIN POWELL, *Suffolk University*  
EDWARD PRESCOTT, *Nobel laureate*  
GARY QUINLIVAN, *Saint Vincent College*  
REZA RAMAZANI, *Saint Michael's College*  
ADRIANO RAMPINI, *Duke University*  
ERIC RASMUSEN, *Indiana University*  
MARIO RIZZO, *New York University*  
NANCY ROBERTS, *Arizona State University*  
RICHARD ROLL, *UCLA*  
ROBERT ROSSANA, *Wayne State University*  
JAMES ROUMASSET, *Univ. of Hawaii at Manoa*  
JOHN ROWE, *Univ. of South Florida*  
CHARLES ROWLEY, *George Mason University*  
JUAN RUBIO-RAMIREZ, *Duke University*  
ROY RUFFIN, *Univ. of Houston*  
KEVIN SAILYER, *Univ. of California, Davis*  
THOMAS SAVING, *Texas A&M University*  
PAVEL SAVOR, *Univ. of Pennsylvania*  
RONALD SCHMIDT, *Univ. of Rochester*  
CARLOS SEIGLIE, *Rutgers University*  
ALAN SHAPIRO, *Univ. of Southern California*  
WILLIAM SHUGHART II, *Univ. of Mississippi*  
CHARLES SKIPTON, *Univ. of Tampa*  
JAMES SMITH, *Western Carolina University*  
VERNON SMITH, *Nobel laureate*  
LAWRENCE SOUTHWICK, JR., *Univ. at Buffalo*  
DEAN STANSEL, *Florida Gulf Coast University*  
HOUSTON STOKES, *Univ. of Illinois at Chicago*  
BRIAN STROW, *Western Kentucky University*  
SHIRLEY SVORNY, *California State University, Northridge*  
JOHN TATOM, *Indiana State University*  
WADE THOMAS, *State University of New York at Oneonta*  
HENRY THOMPSON, *Auburn University*  
ALEX TOKAREV, *The King's College*  
EDWARD TOWER, *Duke University*  
LEO TROY, *Rutgers University*  
WILLIAM TRUMBULL, *West Virginia University*  
DAVID TUERCK, *Suffolk University*  
CHARLOTTE TWIGHT, *Boise State University*  
KAMAL UPADHYAYA, *Univ. of New Haven*  
CHARLES UPTON, *Kent State University*  
T. NORMAN VAN COTT, *Ball State University*  
RICHARD VEDDER, *Ohio University*  
RICHARD WAGNER, *George Mason University*  
DOUGLAS M. WALKER, *College of Charleston*  
DOUGLAS O. WALKER, *Regent University*  
MARC WEIDENMIER, *Claremont McKenna College*  
CHRISTOPHER WESTLEY, *Jacksonville State University*  
ROBERT WHAPLES, *Wake Forest University*  
LAWRENCE WHITE, *Univ. of Missouri at St. Louis*  
WALTER WILLIAMS, *George Mason University*  
DOUG WILLS, *Univ. of Washington Tacoma*  
DENNIS WILSON, *Western Kentucky University*  
GARY WOLFRAM, *Hillsdale College*  
HUIZHONG ZHOU, *Western Michigan University*

CATO  
INSTITUTE

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