

While Talking About Keynesian Stimulus, Feds Are Really Just Giving Money to the Big Boys

By [Washington's Blog](#)

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Austrian economists like Mish say that the Keynesians are wrong, and that they erroneously think that stimulus spending is a “free lunch”.

But – whether you agree with Keynesians or not – the fact is that what the government has actually been doing is spending our money on helping out the big boys, and spending next to nothing on even trying to stimulate the economy. The government is giving trillions to the big banks and financial giants, but almost zero to the working people.

Specifically, the stimulus bill was \$787 billion, which is less than a tenth of the money thrown at the financial elites.

The lion’s share of the \$787 billion was for pork, not for anything which could actually stimulate the economy.

Of the \$787 billion, only about 10% has been spent so far.

The Government Accountability Office says that the \$787 billion stimulus package is not being used for stimulus. Instead, the states are in such dire financial straights that the stimulus money is instead being used to “cushion” state budgets, prevent teacher layoffs, make more Medicaid payments and head off other fiscal problems. So even the money which is actually earmarked to help the states stimulate their economies is not being used for that purpose.

Stimulus? Where’s the stimulus?

So when Obama’s economic people say we need another stimulus program, they are pretending that the government has tried – in good faith – to stimulate the economy, but that they’ve underestimated how severe the economic problems are.

In fact, the government has simply undertaken a massive redistribution of wealth from the little guy to the big boys. That is not stimulus. That is robbery.

Don’t believe me?

Okay, but leading economist Dean Baker said the true purpose of the bank rescue plan is “a massive redistribution of wealth to the bank shareholders and their top executives”.

And Nobel economist Joe Stiglitz says the Geithner plan will rob US taxpayers.

And congressman Grayson puts it succinctly when he demands “Stop stealing our money!”

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