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OP-ED COLUMNIST

The Destructive Center

By [PAUL KRUGMAN](#)

What do you call someone who eliminates hundreds of thousands of American jobs, deprives millions of adequate health care and nutrition, undermines schools, but offers a \$15,000 bonus to affluent people who flip their houses?

A proud centrist. For that is what the senators who ended up calling the tune on the stimulus bill just accomplished.

Even if the original Obama plan — around \$800 billion in stimulus, with a substantial fraction of that total given over to ineffective tax cuts — had been enacted, it wouldn't have been enough to fill the looming hole in the U.S. economy, which the Congressional Budget Office estimates will amount to \$2.9 trillion over the next three years.

Yet the centrists did their best to make the plan weaker and worse.

One of the best features of the original plan was aid to cash-strapped state governments, which would have provided a quick boost to the economy while preserving essential services. But the centrists insisted on a \$40 billion cut in that spending.

The original plan also included badly needed spending on school construction; \$16 billion of that spending was cut. It included aid to the unemployed, especially help in maintaining health care — cut. Food stamps — cut. All in all, more than \$80 billion was cut from the plan, with the great bulk of those cuts falling on precisely the measures that would do the most to reduce the depth and pain of this slump.

On the other hand, the centrists were apparently just fine with one of the worst provisions in the Senate bill, a tax credit for home buyers. Dean Baker of the Center for Economic Policy Research calls this the “flip your house to your brother” provision: it will cost a lot of money while doing nothing to help the economy.

All in all, the centrists' insistence on comforting the comfortable while afflicting the afflicted will, if reflected in the final bill, lead to substantially lower employment and substantially more suffering.

But how did this happen? I blame President Obama's belief that he can transcend the partisan divide — a belief that warped his economic strategy.

After all, many people expected Mr. Obama to come out with a really strong stimulus plan, reflecting both the economy's dire straits and his own electoral mandate.

Instead, however, he offered a plan that was clearly both too small and too heavily reliant on tax cuts. Why? Because he wanted the plan to have broad bipartisan support, and believed that it would. Not long ago administration strategists were talking about getting 80 or more votes in the Senate.

Mr. Obama's postpartisan yearnings may also explain why he didn't do something crucially important: speak forcefully about how government spending can help support the economy. Instead, he let conservatives define the debate, waiting until late last week before finally saying what needed to be said — that increasing spending is the whole point of the plan.

And Mr. Obama got nothing in return for his bipartisan outreach. Not one Republican voted for the House version of the stimulus plan, which was, by the way, better focused than the original administration proposal.

In the Senate, Republicans inveighed against “pork” — although the wasteful spending they claimed to have identified (much of it was fully justified) was a trivial share of the bill's total. And they decried the bill's cost — even as 36 out of 41 Republican senators voted to replace the Obama plan with \$3 trillion, that's right, \$3 trillion in tax cuts over 10 years.

So Mr. Obama was reduced to bargaining for the votes of those centrists. And the centrists, predictably, extracted a pound of flesh — not, as far as anyone can tell, based on any coherent economic argument, but simply to demonstrate their centrist mojo. They probably would have demanded that \$100 billion or so be cut from anything Mr. Obama proposed; by coming in with such a low initial bid, the president guaranteed that the final deal would be much too small.

Such are the perils of negotiating with yourself.

Now, House and Senate negotiators have to reconcile their versions of the stimulus, and it's possible that the final bill will undo the centrists' worst. And Mr. Obama may be able to come back for a second round. But this was his best chance to get decisive action, and it fell short.

So has Mr. Obama learned from this experience? Early indications aren't good.

For rather than acknowledge the failure of his political strategy and the damage to his economic strategy, the president tried to put a postpartisan happy face on the whole thing. “Democrats and Republicans came together in the Senate and responded appropriately to the urgency this moment demands,” he declared on Saturday, and “the scale and scope of this plan is right.”

No, they didn't, and no, it isn't.

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