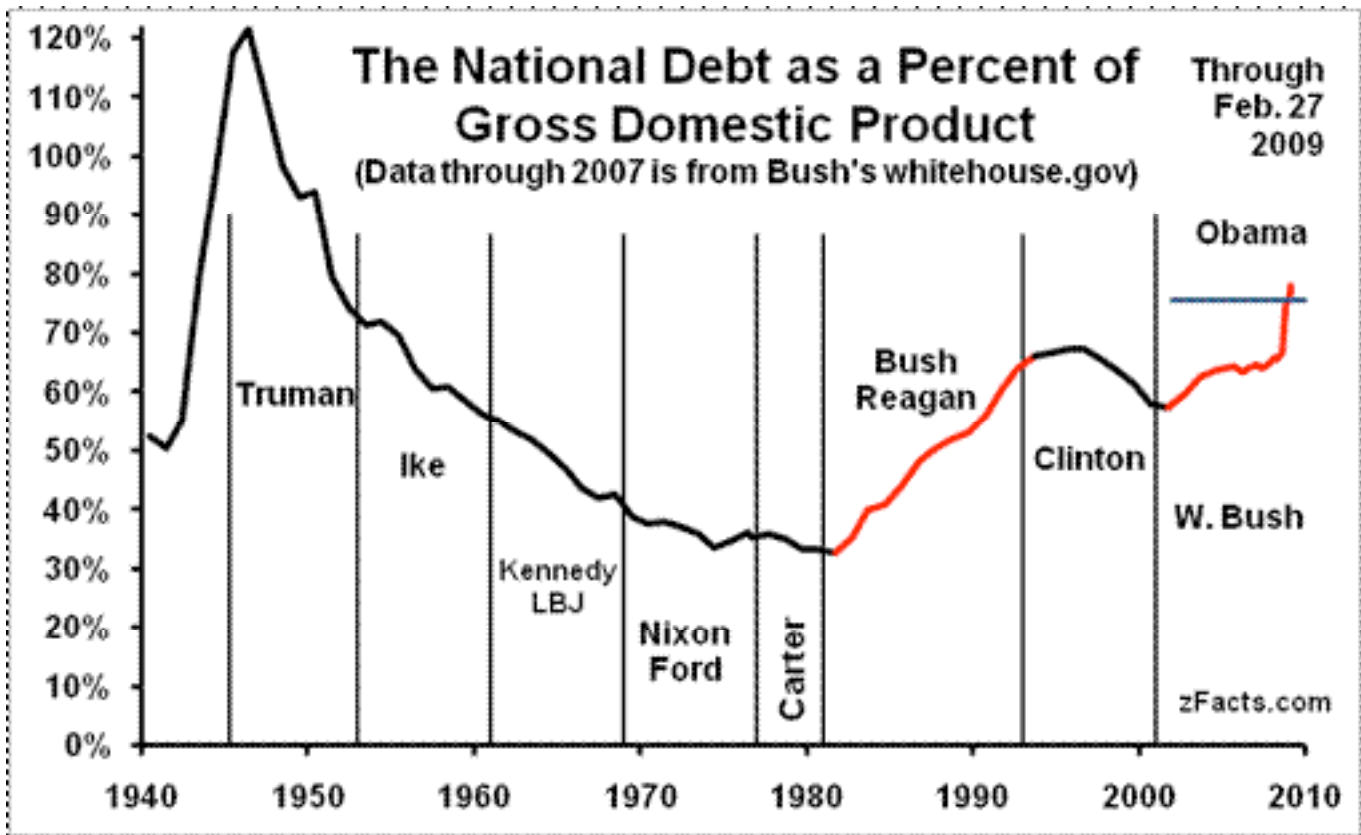


National Debt Graph: Bush Goes for WWII Stimulus



How We Get Out of the Great Depression II

By Steven Stoft, March 2, 2009

Here we go again: Hoover got us in, and WWII got us out. Bush got us in, and to his credit, started trying to get us out. Though, mostly he threw money at bankers. In the Great Depression, Roosevelt tried deficit spending, but he was too timid. Then he stopped in 1937 and the economy nose-dived. It took the humongous deficits of WWII to pull us out of the Great Depression. Those deficits blasted the economy from depression into overdrive. Of course after the war, we had to pay off a huge national debt, but during that time, from 1946 to 1980, the economy was mainly quite prosperous. We hit a bad recession when Reagan took office, and his early deficit spending made sense (though he didn't know it). But then he continued to drive up the debt through the boom years that followed. That didn't make any sense. We are now headed into the worst slump since 1938, and you better hope Obama can fix it because that was not a pretty time. Unfortunately, as in the Great Depression, the extreme conservatives would rather trash the country than have our government succeed. They are much worse than Bush. The main thing to remember is that, with consumer spending going down, business is going to lay people off—not hire them. You can't blame business for this. It's just a vicious cycle that the economy gets into. And you can't blame consumers for not spending in bad times. The only way out of this, if we don't want to wait 10 years, is for the government to spend, pay unemployment insurance, or give tax breaks to people who will spend (not the rich). Of course there's also the problem of the banks. Obama should stop saving the bankers, and just take over the bad banks. Once they're working they can be sold back to the private sector.

<http://zfacts.com/p/318.html>