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Some economists estimate that rebuilding New Orleans and other areas impacted by Hurricane Katrina will cost taxpayers at least \$200 billion, which may be a conservative figure considering it could take decades to fully restore the city. The problem is that our Treasury does not have an extra \$200 billion dollars on hand. This means the money either will be printed or borrowed, both of which bode ill for the American economy. Several conservatives in Congress, however, are cautioning against throwing more and more taxpayer money at the problem with no accountability. While we all want to help the victims of Katrina, we must remember that no one is better off if we create record deficits that hobble our children and grandchildren for generations. The tragic scenes of abject poverty and distress in New Orleans prompted two emotional reactions. One side claims Katrina proves there is not enough government welfare and government spending in general. The other side claims we need to pump billions of new dollars into FEMA, the very agency that performed so badly, while giving it extraordinary new police powers. Both sides simply assume hundreds of billions of dollars in new government spending are needed. But history shows us that "compassionate" deficit spending hurts poor people the most, by devaluating the value of the dollar. When the Treasury prints new money, the ruling class benefits because they can cash in on inflated assets like stock or real estate early in the cycle of printing and spending. The poor, by contrast, are totally dependent on the immediate buying power of their meager resources. A fiat money system that engenders cycles of new money and deficit spending is not the savior of the poor, but rather their worst enemy. Every new dollar makes the dollars that eventually trickle down to the poorest Americans worth less and less. Do we really believe we can resurrect New Orleans, and address the needs of her poorest citizens, by printing money out of thin air? Katrina also has exposed the failed welfare policies of the past 60 years. In New Orleans, hundreds of thousands of impoverished citizens lacked any resources to safeguard their families and their property from the storm. Virtually everyone who stayed behind was poor. It is time to recognize that government assistance over several generations did not eradicate poverty in New Orleans, but rather created a deadly form of dependency on government. Congress reacted to Katrina in the expected irresponsible manner. It immediately appropriated over \$60 billion with little planning or debate. As with all rapid government expenditures, the amount of waste and mismanagement will be staggering. Congress knows it won't need to raise taxes to pay the bill, because the Federal Reserve will accommodate reckless deficit spending. My simple suggestion to my colleagues is this: Find dollar-for-dollar offsets for all hurricane relief spending while public attention remains focused on the destruction in New Orleans. Once interest in Katrina fades, other spending priorities will reassert themselves and any sense that tax dollars are finite will be lost. Congressional spending habits, in combination with our flawed monetary system, could bring us a financial whirlwind that makes Katrina look like a minor storm.