

*Bill Watkins*

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Today's Wall Street Journal has a [piece](#) by John Cogan, John Taylor and Volker Wieland. Cogan and Taylor are famous and respected economists. Volker is younger. He was Taylor's student and at the Fed when I was there. I found him careful, thoughtful, and smart.

Their piece is titled "The Stimulus Didn't Work." They provide data and cite the work of two economic gods: Friedman and Modigliani. I think the argument is convincing, but then I never expected the stimulus to work.

The piece is well worth reading.

Paul Krugman will claim it didn't work because it was too small. Of course you can always say that. After the inevitable recovery, less intellectually honest politicians will claim it worked. Heck, some are already claiming it worked.

There is a problem with this. There will be another recession some day, and there will be another stimulus, even if it is counterproductive. It doesn't matter which party will be in office. Every administration going back to and including at least the first Bush has engaged in some sort of stimulus-type programs when faced with a recession. Clinton was lucky enough to not have a recession in his tenure.