One way to change the conversation

By <u>Steve Thorngate</u> July 21, 2011

A <u>new Century editorial</u> argues that unemployment, not the budget deficit, is the most urgent economic problem facing the U.S. We need to deal with the deficit at some point, but first we need to get people back to work by stimulating the economy.

The editorial does not,

however, deal with the political question of *how* to change the conversation and priorities in Washington. On

this front, <u>Paul</u> Krugman has an interesting idea:

Suppose that Obama

announces that we face a clear and present danger from Ruritania, and that to meet that threat we need immediate investment in roads and rail (to move troops, of course). The economy surges on the emergency spending - and newly employed men and women at last get to move out of their relatives' basements. Home construction surges.

Then Obama apologizes,

says that his advisers have learned that there is no such country as Ruritania, and cancels the program. But we still have the new roads and rail links; plus, the surge in housing demand is now self-sustaining, and the economy remains strong.

Of course, we could do all this without the Ruritanian threat; but we won't.