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Written by <u>Steven Yates</u> on January 5, 2010

New American

Will New Jobs Bill Create Jobs? Republicans Say No

Where do the kinds of jobs that will grow the economy come from? Can the federal government simply create them through more spending? We are about to find out yet again.

Last fall, congressional Democrats authored a new jobs bill, entitled the Jobs For Main Street Act (H.R. 2847). They attached it to last month's \$174 billion spending package. This effort follows in the wake of the \$787 billion economic recovery plan passed earlier last year.

Democrats argue that the bill establishes job prospects in a number of areas: infrastructure and public sector spending (\$75 billion), construction (tens of thousands of new jobs), 5,500 new police officers, 25,000 new Americorps members, 250,000 jobs for disadvantaged youth, and 14,000 jobs for park and forestry workers.

Few of these will lead to stable, long-term work in the private sector, i.e., work that will not increase the government's spiraling indebtedness. President Obama had proposed tax credits for small businesses that create jobs. This measure is absent from the version of the bill that the House passed — narrowly, 217–212, without a single Republican vote.

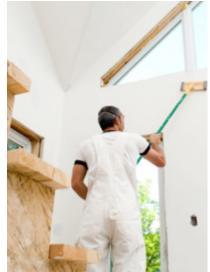
Republicans note that much of the money appropriated in the new bill is not intended to create jobs. For example, \$41 billion is set aside to extend unemployment benefits for six months. Another \$12.3 billion aims to extend health insurance subsidies to those who have lost their jobs. Yet another \$23.5 billion assists states to cover Medicaid costs. Twenty three billion is set aside for education, and \$2.8 billion goes for clean water and environmental restoration projects.

Thus they scoff at the new measure. "Why don't we just put everybody in the United States on the federal government payroll and call it a day?" quipped Congressman Jerry Lewis (R-Calif.) sarcastically.

Republicans contend, using government figures current as of September 30 that show that only 9 percent of the \$27.5 billion set aside for highways in the first stimulus bill had been spent, that the money in the bill won't go where it's intended anyway. "Why is [the money] still here [in Washington] if it was designed to create jobs?" asked Eric Cantor (R-Va.), the second-ranked Republican in the House.

Only \$1.7 billion of the \$39 billion in the new bill directed to the Transportation and Housing and Urban Development will be spent before next October.

The Senate will take up the bill later this month or possibly in February. On their plate in the meantime is a vote that would once again raise the government's total debt ceiling — to 12.4 trillion.







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Government expenditure, whether to create jobs or for other purposes, only adds to this debt. Defenders of last year's stimulus package contend that it saved a lot of jobs, and that employment was 600,000 to 1.6 million higher in the third quarter of 2009 because of the Economic Stimulus Act. They do not tell us that most were federal government jobs — for which taxpayers foot the bill, or that the jobs will be bankrolled through the fiat-money creation machine.



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