



# Myth: Uncle Sam Is the Stork That Delivers Jobs

The tall lanky bird with its magical powers was perfectly embodied in the form of President Barack Obama giving last week's State of the Union address. His speech seemed to satisfy most people on both sides of the aisle — or in this case, a Congress that for the sake of the speech ignored the aisle. This contrived unity, which according to some news outlets overshadowed the speech itself, was something wisely panned as "a bunch of fluff" by one of the few non-believers in the stork of Washington, Congressman Ron Paul.



With so few as wise as the good doctor, the mixed Congress was enamored with Obama's speech. He hit points that appealed to his Democrat base (investment in green energy and education) and his Republican foils (investment in innovation and technology) in what he defined as a modern-era "Sputnik moment," hoping to make America more competitive with the other players in the global economy.

He cleverly used the term "investment" instead of "spending," attempting to make the very act of stealing from one class of citizens and sector of business to line the pockets of others seem somewhat attractive — even magnificent, like a stork in flight. It was a well-crafted piece of propaganda: Who could be against "investing" if it means more jobs and a stronger America?

Sadly, Americans who have no basic understanding of the markets will buy into such practices. They fail to see that the actual State of the Union is an economic disaster; nary a job will be created, and of those that remain, their long-term growth (from a wages and benefits standpoint) will be adversely affected.

Obama's jobs-specific message began with something that's old hat to him: the ongoing promotion of green energy. He offered a challenge — that by 2035, 80 percent of America's energy should come from clean energy sources, claiming that so doing would create "countless new jobs."

Because truly clean nuclear energy has never been rightly elevated into the green energy circles — circles that are populated instead by more expensive and grossly inefficient means of energy generation such as wind and solar power — it is guaranteed that those "countless new jobs" will be created, but not here in America. Instead they will be in China, India, and Africa, for our domestic manufacturers will be unable to produce competitively priced products, thanks to higher utility costs. Wind energy is extremely expensive, and once the federal government's Production Tax Credit (a wealth transfer, as are all tax credits) expires 10 years after the construction of a wind structure, that windmill's electricity will cost at least 25-percent more than electricity currently sold on the open market. Similarly, as reported in the pages of *The New American*, solar power is a poor use of financial resources as well, costing nearly nine times as much as nuclear energy.

Unquestioning believers in the "jobs stork" will say that Obama is right: Jobs will be created domestically to install the solar panels and erect the windmills. Yes, they will — but all are temporary (that's the nature of the construction beast), and for every one of those jobs, 2.2 more permanent jobs



### Written by **Robert Confer** on February 1, 2011



in production and service will be lost, as Spain has so painfully discovered.

The President continued his State of the Union address by following up green energy with more green: giving dollars to a broken education system. Touting his beloved Race to the Top as the be-all-end-all for education reform, he's only adding to the federal monstrosity that has destroyed the success of our young minds (and ultimately, our workforce) since the creation of the Department of Education in 1979. Its estimated budget for 2011 is a staggering \$71 billion dollars, one that robs Peter to pay Paul, granting money to increasingly smaller, and much less efficient, class sizes. Yes, more teachers are employed, but quite unproductively when that money could have been better spent ("invested") by the taxpayers. If the President were actually interested in improving education, he would get the federal government out of it entirely and return it to local control, as we had when students actually performed well and we dominated the world in adolescent education. And from those charged and well-educated minds came our economic growth and job creation.

The stork's song was also sweet to the ears of supposedly small-government Republicans as Obama touted "investment" in infrastructure and technology. He made note of the federal government's plan to give 80 percent of America access to high-speed rail by 2035. He didn't say that such an endeavor will cost tens of billions of dollars in each and every state (once again, robbing jobs from other sectors to force an "investment") or that if there were actually money to be made in such projects, the private sector would have built them by now.

The President immediately followed up that plan with another swift idea: high-speed wireless Internet coverage for 98 percent of all Americans. Where will the money come from for that? Probably from an extension of the federal USF surcharge already embedded in our phone bills — something that currently is silently stealing \$9 billion from the economy. Once again, Obama should let the private sector decide which technology is best.

Sadly, both Congress (save the aforementioned Dr. Paul and precious few others) and the majority of the American public were unable to see through Obama's ruse and his promotion of the myth (one shared by all Presidents of recent memory) that *it's the government's responsibility to create jobs*. The only way the government should allow jobs to be created is by getting out of the way and fostering a socioeconomic environment in which the markets and private sector can freely advance our society and our economy. The government should never be in the business of creating jobs, or determining the winners and losers in the markets through subsidization, unfair advantage, and other wealth-transferring tactics. When it does so, it kills jobs elsewhere and saps the worth from productive sectors of the economy.

It's a simple concept, one that has been well known throughout America's long history. We became the most advanced society ever — a shining example of the power of personal wealth and self-determination — by allowing the people themselves to create economic prosperity and the resulting jobs.

Naturally, no sentient adult believes that a magical stork delivers babies on doorsteps, so why should we believe that Uncle Sam will place jobs at our feet? Such a childish, simplistic attitude must be overcome if we are ever to bring the nation out of its devastating recession.





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