



Written by [Bob Adelman](#) on April 9, 2021

Biden's "American Jobs Plan" Unlikely to Pass the Senate

Joe Biden's "[American Jobs Plan](#)" — a costly boondoggle that is [more gift than substance](#) — is going nowhere, for several reasons. First, the latest study of his so-called infrastructure bill by the National Association of Manufacturers (NAM) shows that instead of increasing employment, if passed the bill would not only reduce employment but slow the economy and reduce wages as well.

It would do everything possible to slow the economy:

1. It would raise the corporate tax rate from the present 21 percent to 28 percent;
2. The Corporate Alternative Minimum Tax, which is in essence a second corporate tax method businesses must follow (and then businesses pay either the regular corporate tax or the AMT, whichever is higher), would be reinstated;
3. Taxes on capital gains and dividends would be raised to the same level as ordinary income; and
4. The individual tax rate for those most responsible for creating jobs would increase.



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The study concluded that these massive obstructions "would result in less economic activity and 1 million jobs lost in the first two years."

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It gets worse: The economy would continue to shed 600,000 jobs every year for the foreseeable future and cost the economy at least a trillion dollars over the next decade. Furthermore, wages would decline, not increase, if Biden's boondoggle is passed.

Happily, it has little chance of passing the Senate. At least two Democrat Senators aren't drinking the Washington Kool-Aid: Senators Joe Manchin of West Virginia and Arizona's Kyrsten Sinema. And they are both opposed to repealing the Senate filibuster, which is the only way this bill could pass.

Sinema sounded almost reasonable in explaining why she opposes eliminating the filibuster:

I don't think the solution is to erode the rules. I think the solution is for senators to change their behavior and begin to work together.



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When it comes to Biden's foolishness, Manchin declared that the bill in its present form is dead: "As the bill exists today, it needs to be changed." CNN admitted that Biden's bill can't be passed in its present form because Manchin "and a handful of other Senate Democrats" believe the corporate tax hikes in the bill are just too steep.

It also wouldn't work to generate employment even if most of its assumptions were true: Unemployed workers simply aren't looking for work. They're very happy sitting at home and collecting their unemployment benefits.

The Bureau of Labor Statistics recently reported that of the more than 100 million Americans who are currently not in the labor force only seven million of them are actively looking for work. Not surprisingly the billions in Biden's previous \$1.9 trillion "stimulus" are now incentivizing potential workers not to seek work. Why should they?

Sierra Pacific, the door and window manufacturer, is now offering bonuses of \$1,500 to entice unemployed workers to come back to work. Said Kathy Garcia, the company's business services and marketing manager, "There are absolutely no job seekers." As Tyler Durden more colorfully expressed it:

The government is actively subsidizing the minimum-wage sedentary snowflake lifestyle ... which prevents workers from getting real jobs and developing real skills they will need to make real money.

More good news about Biden's bill is that his current offering is only the first of a two-part plan that is doomed to fail. The second will focus on expanding health insurance coverage, extending the expanded childcare benefit, along with a whole host of other welfare-state and environmental schemes and programs. If the first part is dead in the water, the death of the second is guaranteed.



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