



# **Obama's Jobs Bill Faces Uncertain Future**

President Obama's so-called jobs bill may prove to be dead on arrival, prompting Democrats to consider making drastic changes — cutting the bill into its pieces to drive up the chances of piecemeal passages. The proposal was introduced once it became clear that even Democrats are reconsidering their support for the bill, which has thus far failed to attract needed bipartisan support.

The jobs bill is virtually a resurrection of Obamas \$800-billion-plus 2009 stimulus measure as well as a Social Security payroll tax cut that was enacted last year. What separates it from the stimulus, however, is that the jobs bill is said to be financed by a 5.6-percent surcharge on income that exceeds one million dollars.



The legislation, however, has been a hard sell for Democrats, as House Republicans are unlikely to pass it (threatening not to even bring it to the floor for a vote) and those in the Senate can filibuster at will. Obama has launched a campaign-like crusade to stimulate support for the bill. Last week he insisted,

This is not the time for the usual games or political gridlock in Washington. Any senator out there whos thinking about voting against this jobs bill needs to explain why they would oppose something that we know would improve our economic situation.

Regardless of Obamas efforts, the GOP has been steadfast in its opposition, forcing Democrats to consider alternatives.

Republicans contend that the bill will fail to do what its proponents claim. Its not a jobs bill, asserted Senate Minority Leader Mitch McConnell. Its another stimulus bill. I dont think itll pass and I dont think it should.

On Tuesday, Senator Charles Schumer (D-N.Y., above left) confirmed that Democrats will in fact break up the jobs bill <u>piece by piece</u>, even after the Congressional Budget Office confirmed that the measure was paid for and would reduce the deficit by six billion dollars over the next decade.

Now, Democrats are hopeful that at least \$447 billion will make it out of the Senate. Fox News reports,

The full \$447 billion plan to promote job growth is due for a procedural vote Tuesday in the Senate in a slightly different form from what Obama proposed a month ago. In this version, most of the cost would be offset by a surtax on <u>millionaires</u>.

Democrats agreed that one million dollars was the proper place to draw the line. Senator Schumer explained,

In the eyes of many, it is hard to ask more of households that make \$250,000 or \$300,000 a year. They are not rich, and in large parts of the country, that kind of income does not get you a big







home or lots of vacations or anything else thats associated with wealth in America.

New York consultant David Selig indicated, however, that the millionaires tax will fail because of the complicated tax code which permits high income earners to find loopholes and enter into deferred compensation agreements and other legal means of avoiding taxes. He also explained that the cost of implementing the tax, like the dedication of the IRS to target one class of taxpayers, will be higher than the touted benefits. Selig predicted that the cost to create the program will likely be more than \$300 million, while the amount of revenues cannot be determined at this time.

The change may prove to garner more Democratic support, but will likely have little influence over GOP opponents, who voiced concern that the proposal will have a further negative impact on the already struggling economy, because some wealthy individuals operate small businesses.

Senator Orrin Hatch (R-Utah) contended, Whacking small businesses with this massive tax increase for another stimulus is bad for the economy and bad for the job creation.

CNS News reported, The plan combines payroll tax cuts for workers and businesses with \$175 billion in spending on roads, school repairs and other infrastructure, as well as unemployment assistance and help to local governments to avoid layoffs of teachers, firefighters and police officers.

President Obamas adviser David Plouffe insisted it would be a tragedy if the bill were to be rejected by the Senate. Speaking on NBCs Today, he asserted that there wouldnt be a political issue if Republicans actually supported the bill.

But such a claim is hard to stand by as Democrats are beginning to cave under pressure from their constituents. For example, Senators Joe Manchin (D-W.Va.), Jon Tester (D-Mont.), and Ben Nelson (D-Neb.) are considering opposing the legislation.

Senator Dick Durbin (D-Ill.) admitted, Were likely to lose two, three, four Democrats. I dont know if well pick up any Republicians.

According to the *Wall Street Journal*, at least one aide has said that Democratic leaders are holding multiple votes on the plan in the coming weeks to gauge Republican opposition. Democrats conceived the idea of breaking the bill into pieces, and the notion gained support last week, when President Obama called a news conference for Congress to show some progress in acting on his proposals.

With Republicans united in their opposition to the bill, the Democrats face difficulty with its passage, as they have only 53 votes, seven short of the number needed to pass the measure.

Meanwhile, campaign adviser David Axelrod released to Senate Republicans a memo indicating that a majority of Americans support the jobs act, and target Republicans for offering no other alternatives except to reduce the size of the federal government. However, a recent Rasmussen Report poll indicates otherwise. According to that poll, just 31 percent of Americans believe the government should play a major role in the jobs market. Rasmussen writes:

The presidents latest initiative is a sizable jobs creation bill, but just 31% of Americans see a major role for government in the jobs market, with 21% who think the government should hire those long out of work and 10% who say the government should extend unemployment benefits indefinitely. Fifty-seven percent (57%) feel the government should largely butt out, with 32% who think it should do nothing at all and 25% who believe it should only pay for the retraining of the long-term unemployed.

Still, Axelrod wrote, As members of Congress take up the Americans Jobs Act this week they need to



### Written by **Raven Clabough** on October 11, 2011



understand that their failure to focus on what matters most to Americans is why disapproval for Congress is at a historic high 80 percent.

As Democrats attempt to garner more support for the controversial jobs bill, both the House and the Senate have other items on their agenda that they are expected to address this week, including U.S. trade agreements with Colombia, Panama, and South Korea, an item that may actually receive bipartisan support.

Additionally, the Senate is expected to pass legislation that would impose a tariff on Chinese exports if China continues to manipulate the currency. Those in support of the bill contend it will improve competition for American producers and bring jobs back to the United States.

In the House, however, the Chinese tariff bill faces difficulties, as House Speaker John Boehner opposes it and has indicated he will never bring it to the House floor. President Obama has failed to take a stance on the bill, but has warned against unilateral action which could potentially violate international trade rules. Some American companies have even voiced fears that such legislation could initiate a trade war.





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