



President Obama to Talk Jobs on Bus Tour, but Why Can't He Create Them?

Putting Americans back to work."

That's the slogan plastered atop the White House website today, signaling President Obama's [focus on jump-starting the economy](#) now that the debt-ceiling crisis has passed.

"In the coming months I'll continue also to fight for what the American people care most about," [Obama said](#) from the Rose Garden Tuesday, "new jobs, higher wages and faster economic growth."

But fight as he might, the president alone will be unable to spur the creation of new jobs, some economists say, and it's misguided to expect or suggest that he can.

"Government can't create jobs in a micromanagement sort of sense," said Chris Edwards, an economist with the libertarian CATO Institute. "Both parties deceive the public with this constant rhetoric about passing various incentives and tax breaks to create jobs.

"The proof is in the pudding: If the government did have the power to create jobs, why would we be in the dilemma we have now?" Edwards asked, citing the nation's 9.2 percent unemployment rate and stagnant job growth despite implementation of various economic-stimulus plans.

Still, Obama believes Congress has tools at its disposal to help boost employers' hiring, and he plans to spend the next month [lobbying](#) for the stalled legislative agenda while lawmakers are out of town.

Administration officials say extending payroll tax cuts for businesses, and unemployment insurance benefits for the long-term jobless, will put more money in consumers' pockets for spending and, in turn, trigger hiring. They also believe an overhaul of the U.S. patent system will encourage entrepreneurs and the formation of new businesses, and, they say, a set of pending foreign trade deals will open up new markets abroad.

"If you extended unemployment insurance and the payroll tax holiday, those policies will create well over a million jobs," said John Irons, an economist

with the liberal-leaning Economic Policy Institute. "I think we have a pretty good menu of items that could help create jobs over the next year or longer, it's just a question of political will to get them done."

The president is expected to take his case on the road during a three-day [bus tour](#) through the Midwest later this month. Lawmakers don't return to Washington until September.

Even if the measures are enacted, however, there's ample debate about what, if any, immediate impact they would have.

The debt-ceiling deal lifted one cloud of uncertainty, business leaders say, but it has imposed another, with a [bipartisan congressional panel](#) set to consider overhauling the tax code and entitlement programs in an effort to find \$1.5 trillion in deficit reduction later this fall.

"If you're Intel Corp. or GE and you're thinking about building a new plant here, or Mexico, or Canada or China, you're not looking for short-term giveaways or incentives," he said. "You're looking at what the tax rate is going to be for the next decade or so as the profits from that new factory roll in. And right now many companies just don't know.



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