



Obama Seeks \$5 Billion For Veterans Jobs Corps Proposal

WRITTEN BY BRIAN KOENIG

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The Obama administration on Friday accelerated efforts to tame unemployment among U.S. veterans by calling for a new conservation program that would put service members – specifically those returning home from the wars in Iraq and Afghanistan – to work rebuilding roads, trails, and other projects on public lands.

President Obama also called on Congress to boost funding for programs that encourage more hiring for police and firefighters, with the intention of generating new employment opportunities for veterans. Included in the proposal is \$4 billion in the 2013 budget to broaden the Community Oriented Policing Services (COPS) grant program and \$1 billion for an emergency response initiative. Fox News [reported](#):

About 160,000 soldiers leave active duty annually, and some 95,000 members of the National Guard and Reserves join them. The Labor Department already operates some jobs programs to help soldiers with the transition to civilian life. For example, there are employee workshops that help vets with advice on job searches and labor market conditions. The department also provides grants to states that in turn hire workers to conduct job training workshops and reach out to employers on behalf of vets.

Veterans "are the Americans that we want to keep serving here at home as we rebuild this country," Obama [said](#) during a visit to a northern Virginia firehouse which dispatched some of the first emergency responders to the Pentagon on 9/11. "So we're going to do everything we can to make sure that when our troops come home, they come home to new jobs and new opportunities and new ways to serve their country."

According to the [Army Times](#), the proposed initiative, called the Veterans Jobs Corps program, would spend \$1 billion "to put an estimated 20,000 veterans to work restoring habitat and eradicating invasive species, among other activities." Interior Secretary Ken Salazar said the program is reminiscent of the Civilian Conservation Corps (CCC), a component of President Franklin D. Roosevelt's "New Deal" program that offered public work relief through jobs related to conservation and the development of natural resources in rural areas owned by federal, state, and local governments.

"When one looks back at the legacy of the Civilian Conservation Corps, we take great comfort that those who take on these kinds of activities will leave a lasting legacy for the United States," asserted Salazar. The Interior Secretary also suggested that the

measures are likely to attract strong support from Congress. "I think that there is great bipartisan support for our veterans," he told reporters Thursday. "We expect the Congress to act. ... These are common-sense initiatives that take care of our 9/11 veterans who have served our country and are coming home."

But considering recent efforts by Republican lawmakers to curb government spending, some critics question the possibility of the program making it through today's deeply polarized Congress. In fact, some of the more conservative lawmakers have supported spending cuts for COPS, an office of the Department of Justice which promotes community policing in state, local, and tribal law enforcement agencies.

Without a doubt, joblessness among new veterans is rampant, as unemployment hovers just above 13 percent. As reported by *USA Today*, "One out of three veterans ages 18 to 24 were without work the last quarter of 2011, double the rate of civilian peers, according to the Bureau of Labor Statistics. One in five young veterans were without work in the last quarter of 2010."

Theodore Daywalt, CEO of a jobs board called VetJobs, asserted that veterans who have permanently left the military are doing well to find work, even considering today's poor economic climate. "But if a veteran remains active in the National Guard, they are having a difficult time finding meaningful employment due to the constant call-ups [for as much as two years at a time] and deployment schedules," Daywalt lamented in his testimony to lawmakers. This problem has led some guardsmen to volunteer for second or third deployments.

While the unemployment rate for veterans is alarming, "enlisting our veterans in the work of rebuilding our nation" – as Obama proposed in his [State of the Union address](#) on Jan. 24 – through programs much like President Roosevelt's CCC is hardly a viable solution. As [noted](#) by renowned economist Thomas Sowell, FDR's administration "hired more young men in the Civilian Conservation Corps than there were in the U.S. army." Sowell added, "But that never brought unemployment down into single digits at any point during that entire decade. As late as the spring of 1939, the unemployment rate was 20 percent."

Despite the rhetoric of "government job creation," fundamental economic theory rejects the ideology that government can create "net" jobs. Thomas DiLorenzo of the Cato Institute expounded on this notion in a [paper](#) he wrote in February of 1984:

With respect to government jobs programs, what is important is that they are usually financed by taxation or borrowing by the federal government. In either case, resources are withdrawn from alternative, private sector uses. Higher taxes mean consumers have less to spend in the private sector, and reduced consumer demand leads to less production and employment. If the government borrows money to finance a jobs program, alternative uses of credit by private individuals and business firms are precluded. This, too, causes economic stagnation and higher unemployment in the private sector.

The "cost" of government jobs programs, regardless of how they are financed, is therefore best viewed as the reduction of private sector production and the employment that production creates. Those who believe that government jobs programs can create jobs fail to realize or acknowledge that they also destroy

jobs elsewhere in the economy. Government jobs programs alter the composition of jobs in the economy – more government employment, less private employment - but do not increase the number of jobs. Some may prefer a larger government sector relative to the private sector – and this is what government jobs programs give us – but it is misleading to pursue this objective under the guise of creating jobs.

All in all, the assertion that government can effectively create jobs and stimulate economic growth is a false paradigm, and the solution to which Obama's proposed Veterans Jobs Corps seeks to achieve could end up being a rehash of President Roosevelt's failed 1930s welfare state.