

Commentary: President Obama's Latest Jobs Bill Full Of Unwise Proposals

By [Jamison Beuerman](#) on September 19, 2011

Cato Institute, National Review deride blueprint as another tax-and-spend plan

In his speech last Thursday, President Obama enunciated his tentative vision for a soon-to-be-revealed \$447 billion job creation bill entitled [the American Jobs Act](#). Most of the proposals fall in line with what one has come to expect from the Obama administration, namely spending paid for with targeted tax hikes on the highest bracket. New Orleans City Business [provides a complete rundown](#) of the policies alluded to in the President's speech.

The tenets of this act have been met, not surprisingly, with ardent resistance by economic conservatives. Alan Reynolds of the Cato Institute [equates Obama's plan](#) to a \$447 billion tax hike on high income earners and businesses. Despite Obama's assertion that these increases are meant to offset the temporary pay roll tax cuts, Reynolds notes that they actually subsidize 54% of the \$447 billion price tag.

Reynolds also points to the valid concern that this new \$447 billion act, putatively "paid for," will threaten to exceed the debt ceiling which Congress arduously agreed to raise in July among hysteria of a government default. Reynolds may very well be correct in arguing that the President is dangling politically irresistible elements such as the temporary payroll tax cut and unemployment benefits to deflect attention from the overall tax burden and increased spending.

Likewise, Eric Stiles, on the National Review's Corner, [breaks down](#) just how exactly the American Jobs Act will be paid for, and the unequivocal answer is with taxes. The vast majority of the money (\$400 billion) will come from limiting itemized deductions, including charitable giving, on the \$200,000 and above income bracket. The remaining money comes from a variety of taxes designed specifically with corporations and the wealthy in mind, notably the elimination of tax breaks for oil and gas companies. The administration rosily projects that "not a dime" will be added to the deficit, but this ridiculous promise is left to Congress to fulfill.

As Stiles and Reynolds explain, this latest proposal is nothing more than a repeat of past failed policies which seek to offset extravagant government spending by penalizing employers and industries. Temporary labor in “infrastructure” construction is no substitute for long-term, secure employment. The misleadingly named American Jobs Act is certain to face an uphill battle in Congress.