

Dem's jobs bill 'gimmicky,' full of pork



A tax policy expert predicts that Democrats' job bill in Congress will not create jobs in the long term, and may actually have the effect of reducing employment. One budget analyst describes it as a combination of "temporary gimmicks" and pork-barrel spending.

Senate Majority Leader Harry Reid (D-Nevada) is proposing a \$16-billion jobs bill that will provide a tax credit for employers to hire unemployed workers. His proposal is a scaled-back version of the \$85-billion plan put forth by the White House that had gained some bipartisan support. Republicans say they were blind-sided by Reid's move.

Curtis Dubay, a senior tax policy analyst at <u>The Heritage Foundation</u>, says the jobs tax credit that is being pushed through Congress is slightly different than the one President Obama proposed a few weeks back, but it will have the same result.



"Remember, to fund this jobs bill, they're going to have to borrow money - this will just be more government borrowing. And when the government borrows money, it actually destroys jobs," Dubay notes.

"So on net, it could actually end up destroying jobs rather than creating them, and any jobs that it does create will be temporary in nature," he argues. "When the credit expires, the employers will let go of the workers

they hired because they'll no longer be profitable. So, this really won't have much of an effect at all."

The tax policy analyst adds that although the economy is starting to grow, businesses are not yet hiring because of the "business crippling agenda" in Washington -- notably the push for government-run healthcare and a cap-and-trade program.

A 'desperation move'

Tad DeHaven, a budget analyst at the <u>Cato Institute</u>, says the Reid bill is a combination of "temporary gimmicks" and pork-barrel spending. The bill, DeHaven explains, is a hodgepodge that contains, among other things, agricultural subsidy pork to benefit Senator Blanche Lincoln (D-Arkansas), and an extension of the Patriot Act.



The bill also extends unemployment benefits and COBRA insurance. DeHaven says the legislation is a "desperation move" following the failed stimulus package. (<u>Listen to audio report</u>)

"It's a combination of temporary, gimmicky tax cuts and more spending, and it just seems to be that the administration and Congress still doesn't get it -

DeHaven - they're still trying to micromanage the economy through Washington, and that has proven unsuccessful thus far, and I don't see that changing anytime soon."

DeHaven says instead of continuing its borrowing-and-spending binge, Congress needs to look at implementing more serious tax reform.



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