

Risky for gov't to subsidize hirings

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An economist says since their fiscal "stimulus" package failed to work, Democrats in Washington are scrambling to "throw anything against the wall with regard to job creation to see if it sticks."

Before leaving on a nine-day trip to Asia, President Obama announced that a jobs summit will be held at the White House in December. "We'll gather CEOs and small business owners, economists and financial experts, as well as representatives from labor unions and nonprofit groups, to talk about how we can work together to create jobs and get this economy moving again," Obama stated.



In the meantime, Senate Majority Leader Harry Reid (D-Neveda) says one of the top priorities of Senate Democrats is to take up a new job-creation bill to address the 10.2-percent unemployment rate.



Chris Edwards, director of tax policy at the [Cato Institute](#), predicts Democrats will try another approach to create direct federal jobs or attempt to leverage private sector jobs by offering companies subsidies to hire people. "I think this is all very dangerous because we risk creating new permanent federal programs that subsidize businesses to hire workers," notes Edwards.

The tax policy director says that with the unemployment rate exceeding 10 percent, and with the loss of eight-million jobs so far during the recession -- including three-million under President Obama since the beginning of the year -- it is clear that the government has delivered a poor response to the current economic crisis.