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# The Washington Times

## POWELL: The cost of progressivist worship

*Obama's liberal orthodoxy kills private-sector jobs*

By Jim Powell

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Why is it that one government report after another "unexpectedly" bears more bad news about jobs? Last week, according to [Bloomberg](#), "The number of unemployment claims unexpectedly shot up." Before that, [Reuters](#) reported, "Employers unexpectedly cut jobs." This "unexpectedly" bit has been going on for quite a while, suggesting that journalists continue to be surprised that President [Obama](#)'s progressive agenda has failed to revive private-sector job creation. One might as well say, "Monday unexpectedly will come next week."

There's no secret about how to create private-sector jobs. Plenty of experience has shown how to do it, and a great deal has been written about it. The literature on the subject goes back a couple of hundred years, so [Mr. Obama](#) can say he just missed a tweet.

The first step is to make private-sector job creation a top priority. That's vital, because the private sector pays all the bills. Government doesn't have any money other than what it extracts from the private sector. Well, [Mr. Obama](#) never made the recovery of private-sector job creation a top priority because he was busy pushing his progressive agenda, including a big "stimulus" bill for government employees, government-run health care, more compulsory unionism, carbon taxes and other policies that have a negative impact on private-sector employment.

[Mr. Obama](#)'s hero [Franklin D. Roosevelt](#) never made the recovery of private-sector job creation his top priority, either. He was busy establishing big welfare programs, public works projects, compulsory unionism and the first [U.S.](#) entitlement. He multiplied the number of regulations and tripled federal taxation during the 1930s. Those policies made it more expensive and difficult for employers to hire people - major reasons why FDR's New Deal was plagued by chronic double-digit unemployment despite the 60 percent expansion of gross domestic product between 1933 and 1937.

If private-sector job creation is a top priority, government must reduce the cost of hiring people and remove other obstacles to employment. Payroll taxes make it more expensive for employers to hire people, and [Mr. Obama](#) increased payroll taxes. Minimum-wage laws discourage employers from hiring people who are worth less than the legal minimum because of their limited skills and work experience - [Mr. Obama](#) didn't try to stop last year's minimum-wage increase. [Mr. Obama](#) backs labor unions that obtain above-market compensation and benefits, pricing employers out of markets (autos, steel, textiles, etc.) and destroying private-sector jobs. Obamacare imposes penalties on employers who hire more than 50 people. [Mr. Obama](#) is spending trillions of dollars the government doesn't have, which naturally leads employers to anticipate higher taxes, and they're reluctant to hire people before they know how high taxes are likely to be. [Mr. Obama](#)'s financial "reform" bill authorizes government agencies to issue hundreds of costly regulations, and the resulting uncertainty further discourages employers from making financial commitments needed to hire people.

[Mr. Obama](#) has similarly throttled private-sector investment. He threatened to increase taxes on dozens of the top U.S.-based multinational companies, which would tend to depress their shares that are in individual securities accounts, pension funds, endowment funds and other portfolios. [Mr. Obama](#) repeatedly has demanded "soak-the-

rich" taxes on private-sector job creators. He raised taxes on interest, dividends, annuities and rents. And of course [Mr. Obama](#) wants the George W. Bush tax cuts to expire at the end of this year, which, in effect, means tax increases, including a top federal income tax rate of 39.6 percent, a dividend tax of 39.6 percent, a long-term capital gains tax of 20 percent, a return of marriage-tax penalties, a return of the death tax (55 percent on estates over \$1 million) and a phaseout of itemized deductions for private-sector job creators - all this in addition to applicable state and city income taxes. Bottom line: less private-sector capital available to create private-sector jobs.

[Mr. Obama](#) could supercharge the economy if he eliminated all these policies that make it more expensive and difficult for employers to hire people, but that would mean dumping his progressive agenda. Does anybody expect him to do that?

*Jim Powell, a senior fellow at the Cato Institute, is the author of "FDR's Folly," (Crown Forum, 2003).*

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