

Why Aren't More Jobs Being Created?



BERGEN COUNTY GREEN PARTY

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“20 corporate leaders told President Obama that more consumer demand...(is) needed before business can create millions of new jobs...” (USA Today, Dec. 16, 2010)

Where is more consumer demand going to come from?

From the 25,000,000 workers unemployed or working part-time because they can't get full-time jobs?
From the 10,000,000 people who have lost or are about to lose their homes through mortgage foreclosure?

When private individuals can't afford to buy more, an increase in demand can only come if the government offers to buy more.

What Should the Government Buy?

A recent report by a bi-partisan commission declared that hundreds of billions of dollars must be invested now to repair and modernize our infrastructure of roads, bridges, railroads and airports if the U.S. is to be competitive with other countries. Workers given jobs on such projects will be able to buy more goods and services produced by private business and so greatly increase employment in private industry. In addition the federal government can grant more funds to the states so they can re-employ laid-off teachers, firefighters, police and other providers of essential services.

Where Will the Money Come From?

The states' expenses are exceeding their incomes and their constitutions require them to balance their budgets. The federal government, however, can borrow money from investors who are eager to lend at record low interest rates.

Why Increased Federal Spending Isn't Dangerous

The economic growth generated by increased federal spending will raise the incomes of individuals and corporations and enable the federal and state governments to collect more from income taxes – without raising the tax rates. A growing economy will also undercut the argument that increasing taxes on the rich and corporations will kill jobs. This has been pointed out by Nobel Prize winning economists Paul Krugman and Joseph Stiglitz. Even Federal Reserve Chair Ben Bernanke has urged more federal spending to create jobs.

Why Isn't a Real Job Creating Program Being Undertaken?

Both the Republican and the Democrats get the great bulk of their campaign funding from the big corporations and the rich, who are doing very well right now. They fear that a great drop in unemployment will make possible a stronger labor movement – as it did in the 1930's. They also worry that a growing economy will result in some increase in inflation which will reduce the buying power of the interest they get from bonds of the federal, state and local governments, of banks and corporations, and of the interest from mortgages. Today the interest income of the rich and of the big corporations far exceeds the total profits made by all corporations from the sale of goods and services. On the other hand the buying power of social security pensions is protected by a provision for cost-of-living increases – which have not been granted the past two years only because the government has underestimated the increase in the cost-of-living.

How Can a Real Job Creating Program Be Achieved?

A real job-creating program will be started only if there is a mass movement demanding it and threatening the establishment if one is not adopted. That is what led to the New Deal of Franklin D. Roosevelt during the Great Depression of the 1930's. The threat can be mounted by large demonstrations and by support for a third political party. Without such a threat the recent prediction of Federal Reserve Chair Ben Bernanke that high unemployment will continue for years will most likely come true.