



Written by [Michael Tennant](#) on September 26, 2010

## Many Stimulus-created Jobs May Soon Vanish

Remember all those jobs the stimulus law supposedly created? Well, “tens of thousands” of them, reports the New York Times, are going to vanish “within weeks unless Congress extends one of the more effective job-creating programs in the \$787 billion stimulus act: a \$1 billion New Deal-style program that directly paid the salaries of unemployed people so they could get jobs in government, at nonprofit organizations and at many small businesses.”



The program, says the *Times*, “has helped employ nearly 130,000 adults and has paid for nearly an equal number of summer jobs for young people, according to an analysis by the Center for Budget and Policy Priorities, a liberal policy institute in Washington.” LaDonna Pavetti, director of the center’s welfare reform and income support division, estimates that “up to 26,000 workers in Illinois will lose their jobs in the coming weeks, along with 12,000 workers in Pennsylvania and thousands more in other states” if the program is allowed to lapse.

If a program that has so obviously failed — jobs that exist only as long as the government subsidizes them can hardly be considered successes — can be labeled “one of the more effective job-creating programs” in the law, imagine how ineffective the rest of the programs must be! Of course, to the Keynesian mentality that permeates the government and the mainstream media, government make-work jobs are just as good as real, productive jobs, so it is not surprising that the *Times* would report that the program has been a success. The reference to the New Deal is telling: FDR once said that he would employ men to dig a ditch from one end of the country to the other and then fill it up again if that’s what it took to end unemployment. Yet Roosevelt’s make-work programs, like Obama’s stimulus, did nothing to improve the state of the U.S. economy and, in fact, worsened it. The jobs they supposedly created disappeared the moment the subsidies dried up.

Economist Lew Rockwell explained the difference between “real jobs” and “fake jobs” in a July [column](#):

The point of jobs is for people to work towards providing goods and services that are valued by the marketplace. If there is no consumer-driven demand for the things people are doing, their jobs are nothing more than waste. It does nothing for society if everyone is employed building pyramids, contrary to what Keynes once claimed. It would be senseless to have a business that employs thousands to do nothing but break new cellphones and repair them again, or to dig holes



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and fill them. And why is that? Because there is no economically rational basis for these tasks to exist.

... If you are going to create and retain uneconomic jobs, there is really only one way to do it: government. The government takes money from the private sector to throw around in inefficient ways, regardless of whether the job is worth doing in the first place.

By taking the money from the private sector, whether by taxation or by inflation, the government is extracting it “from the real engine of wealth creation,” says Rockwell. The result can only be a poorer society as capital that could be used to fund productive employment is diverted to useless work — useless, that is, except as a political prop for those dispensing the largess. (It should go without saying that such wealth redistribution is also deeply immoral and, when performed by the federal government, unconstitutional.)

For a variety of reasons, then, this portion of the stimulus law — indeed, the *entire* stimulus law — should be permitted to expire. The less the government takes from the private sector to create phony jobs, the more there will be for the creation of real, lasting, wealth-expanding jobs — the only thing that will pull America out of its economic morass.



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