

“Job Creation”-Stupid Is as Stupid Does

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No one can seriously doubt that the huge amounts of borrowed federal dollars poured into the economy since Barack Obama became president has prevented even more jobs from being lost than might otherwise have been the case in the current devastating recession. It's impossible, however, to come up with a “real” number, because no economist has a good enough handle on matters to sort out all the variables at play, including readjustments due to the fall of housing prices, low interest rates, a slightly improved export environment, rebounding of depleted inventories, new highway construction resulting from stimulus spending, etc. Still, let's look at some facts about the current so-called “recovery”:

- Un- and under-employment remains high—officially over 17 percent, not including people who have given up looking for work.
- The cost to create (or save) jobs has been ludicrously high. Estimates of what it has cost the federal government—meaning the taxpayer—to create a single job range from \$70,000 to \$500,000, depending on whether bailouts lavished on the failed banking system are included.
- While Wall Street rakes in record profits and the stock market creeps back with the DJIA now approaching 11,000, the rest of the economy is sputtering. Public service jobs at the state and local level, including teacher positions, are disappearing like shredded newspaper in a blast furnace. The best the Obama administration can come up with for the next phase is some extremely convoluted encouragement for more bank lending to small businesses, even though these businesses are operating in an environment of crippled consumer demand that may last for years to come.
- The two economic sectors that are reasonably “strong”—the military and health care—are essentially non-productive. The military uses Keynesian deficit-spending to support its gargantuan job base, while the health care industry feasts at the public trough through the ever-increasing cost of Medicare and other spending programs. But like the bailouts and stimulus, it's being done by both sectors with borrowed or printed money through marketing of Treasury bonds whose value becomes more precarious by the day.
- What stimulus there is has been coming to an end as the Federal Reserve reduces “quantitative easing” and the Obama administration launches its bipartisan deficit reduction commission.

Many commentators have said, as a joke, that it would have been cheaper if the

government had just printed the money and given it away. But such an approach would not be a joke at all. It would be enlightened public policy.

The real joke is that in a technological age job-creation is a completely wrong approach to distributing consumer purchasing power, because the world does not need everyone to have a job in order to produce what is needed for the population to live a decent, comfortable life. This is the great fallacy of Keynesian economics, which aims at full employment and endless economic growth.

Not only does the fruitless quest for a full-employment economy put the entire population under the most brutal forms of financial and psychological stress, it also erodes the value of a constantly inflating currency and puts entirely too much money in the hands of the big banking and government institutions which spend it for their own aggrandizement on financial bubbles and wars.

America is the most wasteful, bloated, materialistic, and violent culture on the planet precisely because the economic treadmill we are racing along moves constantly faster all the time. This treadmill has been created on purpose by the only people who benefit from it—the ones at the very top of the heap.

The solution is simple though paradoxical: sufficient numbers of adult persons should be given enough money to purchase the necessities of life without having to work at all.

This is so because the benefits of technology have brought us to the point where distribution of purchasing power without reference to labor is the most efficient and least wasteful economic model available. The borrowed or printed federal dollars currently lavished on the banks, the armed forces, and the government bureaucracies that implement stimulus programs would be much more efficiently spent if simply given away.

Call it a basic income guarantee or a national dividend or whatever you like and pay for however much of it you want to through fair taxation of the obscenely wealthy—it really doesn't matter. You could even establish an optional retirement age of 40 or 45. The important thing is that such a program would recognize that with productivity as high as it is today, too many workers get in each other's way. Those who don't have to work shouldn't be required to do so. Instead, they can create, do volunteer service, or work at low-paying jobs that are still socially desirable such as teaching or the arts.

An adjunct to such a program would be to provide local producers' cooperatives the legal authority to create credit on their own either by utilizing the national currency or by use of trading credits that not only would circulate locally but could also be used to pay taxes. Such legislation at the national level would free small business from bank usury much more effectively than current government proposals and create more jobs.

Today's economic crisis is actually the mismanagement of nature's bounty in an age where technology has solved the problem of scarcity if it is properly viewed as the heritage of all mankind, not the cartel of financiers, corporate oligarchs, military strongmen, and politicians who have the world at the throat in order to safeguard their own wealth and power. Instead they should relax their grip and realize that they too would benefit from a world where all could breathe freely in an economic environment of peace, dignity, and sharing.

Believe me, it could happen and someday probably will.

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