

By Walter Williams, Professor of Economics at George Mason University

2002

Speaking of jobs, President Bush is being criticized for the weak economy; he's not creating enough jobs. Such a criticism stands at the height of ludicrousness. Politicians cannot create jobs. Or, more accurately put: They can only create one job by destroying another.

Think about it. Suppose Congress and the president spend a million dollars for a "stimulus package." Will it be the Tooth Fairy, Santa Claus or the Easter Bunny who gives them the money? Obviously, the money must come from somewhere in the economy.

Since that's true, we must ask what was that money going to be used for if Congress hadn't taxed it away for a "stimulus package"? People would have spent the money purchasing goods that would have created or sustained employment. If Congress borrowed to finance the stimulus package, what activities had to be curtailed because of higher interest rates resulting from government borrowing?

By the way, if you disagree with me and insist that Congress and the president do have job-creation powers, then Williams has identical job creation powers. I can create lots of jobs simply by purchasing several hundred crowbars, distributing them to my George Mason University students and instructing them to go smash automobile windshields.

Think of all the jobs that would be created at auto repair shops. But those jobs would come at the expense of other jobs, because people having to spend a couple hundred dollars getting their windshields replaced wouldn't have the same dollars to take their children to Disneyland, thereby reducing Disneyland jobs.

In general, presidents and congressmen have very limited power to do good for the economy and awesome power to do bad. The best good thing that politicians can do for the economy is to stop doing bad. In part, this can be achieved through reducing taxes and economic regulation, and staying out of our lives.