

By Rep. Steve King

When President Barack Obama signed his \$787 billion “stimulus” bill into law last year, he said the bill was “the beginning of what we need to do to create jobs for Americans scrambling in the wake of layoffs; to provide relief for families worried they won’t be able to pay next month’s bills; and to set our economy on a firmer foundation.”

The actual results of the stimulus tell a different story. Since February 2009, our economy has lost nearly 3.3 million jobs. Despite President Obama’s statements that unemployment would stay under 8 percent, today the national unemployment rate is 9.7 percent.

Recently, we have felt the effects of the economic downturn in western Iowa. Last month, Tyson Foods Inc. announced plans to cut 480 employees at its Council Bluffs plant and Smithfield Foods announced it will close the John Morrell & Co. pork plant in Sioux City, affecting 1,400 workers. Unfortunately, right now in most parts of our country, there are more available workers than new jobs. According to the Department of Labor, there are currently 15.3 million unemployed American workers, including 112,700 of those workers who live in Iowa.

On Feb. 9, the Obama administration issued an economic report stating that 95,000 jobs will be created each month in 2010. Added up, the White House anticipates the creation of 1.14 million new jobs in 2010. Though this claim is suspect, if we take the White House at its word and assume 1.14 million jobs will be created, will that actually bring down our unemployment rate?

Not according to data recently released by NumbersUSA. According to their research, 1.5 million legal immigrants will enter the United States in 2010, and if you subtract from that the number of jobs the Obama administration claims it will create, you calculate a net loss of 360,000 jobs.

The Obama administration’s job creation projection will not provide enough jobs to accommodate new legal immigrants coming to the United States, let alone provide new opportunities for Americans currently out of work. Under this scenario, our unemployment rate will likely go up, not down.

To bring unemployment down and get Americans back to work, we need to create far more than 1.14 million jobs. This can be done not by more government

spending, but by reforming our current tax structure.

For too long, the federal government has devised new, complicated and intrusive ways to tax the productivity, savings and investment of hard-working Americans.

Earlier this week, I said that I understand the attitude of the man who crashed a plane into an IRS building in Austin, Texas, last week. While acts of violence like this have no place in our society, there is a deep frustration with the IRS. I founded a small business and endured IRS audits. In the early days, my company could not run without me on the job.

I once had to shut it down just to be in the room with the IRS. I did not get a fair shake, but I channeled my frustration the American way and ran for office. Americans looking for an outlet for their frustration should join me in calling on Congress to pass a national sales tax and abolish the current federal tax code and the IRS.

The FairTax — a national consumption tax — would abolish the IRS and allow Americans to keep 100 percent of their paychecks. Under the FairTax, the take-home pay of American workers would increase by an average of 56 percent. Institution of the FairTax would replace personal and corporate income, gift, estate, capital gains, alternative minimum, Social Security, Medicare and self-employment taxes with one simple retail sales tax.

Both consumers and small-business owners could benefit from the FairTax. Taxes on business currently make up 22 percent of all retail prices. Therefore, if the FairTax replaced the federal income tax system, prices would drop 22 percent, the cost of complying with the current tax code.

With the FairTax, risk-taking and entrepreneurship would no longer be punished but, rather, encouraged and rewarded. Businesses would be able to hire new workers and expand production of goods and services without the looming threat of the IRS anchoring down operations. Aspiring small-business owners would have the resources to make their dreams a reality.

Unlike the president's failed stimulus bill, the FairTax would allow out-of-work Americans to start punching the time clock again or start a business. Our economy thrives when entrepreneurs and small-business owners have resources to grow businesses and create jobs. This is the only proven way to stimulate an

economy and provide enough jobs for American workers.