SMALL BUSINESS ENTREPRENEURS MEET WITH WHITE HOUSE ADVISORS: GIVE UNEMPLOYMENT LESSONS TO OBAMA

It is not always that small businesses get a chance to have a face-to-face interaction with White House policy makers and apprise them of their problems and, since they are the ones in harm's way, suggests solutions and the way out of the problems that they and the country is currently facing. On Monday some US business owners got the opportunity and they made sure that they did not miss out on the chance to express their opinions and misgivings. One of the business owners was Drew Greenblatt, president of Baltimore based, Marlin Steel. He had decided beforehand that if he got to meet the President he would tell him that the need of the hour was to create an environment of certainty, that would ensure that the recession was history and that job creation should be made a top priority. He said that he would also make clear that predicted tax increments on those making upwards of $250,000 per year would curtail economic growth and also decrease hiring. He said that increased tax would make them less competitive and provide the business edge to America's economic adversaries like Canada and Germany. Even without the projected tax increase, US companies were paying more taxes than their foreign counterparts. "We have to be more competitive—if we are more competitive, we will win more jobs… we will hire more locals," he explained. He cited American factories as an example and said that factories pay taxes on a personal level of income. Increasing their tax rate would have serious consequences on their capabilities to grow economically. He said that if the government continued to follow its current spending strategy, it would lead to doom. "It's a failed strategy and a failed policy," he said. He said that competition should drive the economy and this will create a growth surge that will increase earnings for everybody and increased earning will automatically mean paying more money in taxes. More money will mean better spending. Only by making the businesses more productive and fruitful can we get out of this awful recession, he opined. Other entrepreneurs who were part of the delegation told the White House advisors that it is logical that the only way to decrease unemployment is to increase the number of jobs. However, to create more jobs, it was imperative that we first increased our economic growth rate. An increase by a mere 2 to 3 percent would create 150,000 new jobs that would keep unemployment in check. They said that why it was important for the government to provide solutions was that the unemployment rate, hovering between 7 and 8 percent, showed that the economy wasn't strong enough to sustain growth on its own and that it needed external impetus to propel it upwards. In a speech during an election campaign, the President had suggested that an extension of unemployment benefits would help in creating jobs. A study had revealed that every $ 1 billion in unemployment creates 19,000 jobs. This is how it works. The unemployed will spend the money that they get on day-to-day requirements like food and clothing. This creates additional demand and retailers and manufacturers have to hire more people to meet this demand. Moreover, government benefits are immediate – the government issues a check and without delay it finds its way into the economy. Another solution that was suggested was that the government should provide businesses with easy loans. Low interest rates would allow businesses to borrow for less, giving them the finances to employ new workers to meet the rising productivity and economic gains that the loans would entail. The White House advisors said that while all the views and opinions were appreciated there was a negative aspect to it inasmuch it could add to the budget deficit that would further burden the ever-burgeoning government debt. The entrepreneurs say that over time the economy would be boosted so much, that it would eventually even out the budgetary and other problems that the advisors envisaged.