

The US Treasury is [currently borrowing money at a Negative Real Yield](#). In any normal environment, if you can borrow money at a negative rate you should borrow as much as you can. The premise is that any idiot should be able to earn a return of greater than zero with the money. That's a premise that should make the Democrats happy.

The problem for the Democrats is that the government hasn't shown that they can earn a positive or even a break even return on their spending. (Stunningly, bailouts excluded).

As the Republicans and Tea-Party will tell you, we have a spending problem. The reality is that the problem isn't how much we spend, it's what we spend it on. Our government is not very good at funding projects/investments that generate much if any return. Our government is so overhead laden that just to get the money from the Treasury to a project automatically starts it in a hole. Plus our federal government loves to hire people. That isn't a problem in and of itself. The problem is that they over pay and let them keep their jobs forever. A basic tenet of business is that it is rarely a good idea to borrow short term funds for long term projects or employees unless you are damn sure of the returns. Our government never is.

So what to do ?

First we pick a goal. I want the goal to be employment. I want to help companies hire employees. I think the first problem to solve is creating jobs.

The Republican/ Tea-Party approach to job creation is to cut taxes. The theory being that more money in the pocket of individuals will cause people to spend more money in the economy thereby creating more jobs. Nope. Not happening. Why ? Because individuals have too much debt. Any money they get goes to pay credit cards, student loans and for the smart and fortunate into savings.

Individuals now have debt = to about 119pct of income vs historical levels of .17pct in the 40s, 55pct in the 50s , 65pct in the 60s and a high of 133pct in 2007). It didn't create enough jobs to have an impact and it won't in this environment. They also think the same applied to corporations will translate into more jobs. Nope. That is not the case. Big companies in particular are not cash poor. Whether its re-patriation of cash in foreign countries or lower tax rates, neither lead to the creation of new jobs in this economy. It just leads to more cash in the bank.

So the Democrats are right, we should borrow more money. The Dems are wrong that the government knows how to spend the money. The Republicans/Tea Party are right that we have a spending problem. The Republicans/Tea Party are wrong that cutting taxes will result in more jobs.

So IMHO, creating jobs isn't about the government spending money on jobs /projects, nor is it about cutting taxes. It's about taking a page from the technology and common sense world.

How is this for a revolutionary thought: Companies that would create jobs if they had more cash know who they are. Right ? If you own a company and are thinking to yourself "Self, if I could borrow or get an investment into my company I could hire X more people to grow the company/meet demand/release a new product/whatever" So rather than guessing and hoping what might happen, why don't we let companies self identify themselves ?

And not only should they self-identify themselves as companies, they should be able to bid on Government Loans or even actual equity investments. Call me crazy, but I think we should be playing a game of "I Can Name that Tune in X Notes" re-named and reformatted as "I Can Create X Jobs for Y Amount of Money"

Seriously. Call me crazy (and I'm sure many of you will), but there is no reason why we can't quickly create a federal website that allows existing companies to say to the Federal Government how much money they need and how many jobs they can create for that money and for what duration are they committing to maintain those jobs for the money.

Of course you will have to set some minimum parameters in order to prevent the dreamers, crazies and who knows whats from clogging up the system. I would set those minimums including: The company must be in business for at least 10 years. They must have at least 100 full time employees. They must do 100mm in revenues. And of course they must be up to date on their taxes and I'm sure there are other things to think of as well.

I'm sure I have pissed off everyone who doesn't qualify. Sorry.

The reality is that for this to work the universe of companies has to be small enough so that the system put in place is not overwhelmed. The companies must be big enough to be able to respond to any required due diligence information. If this is made to work, the qualifications could be reduced to expand the universe of eligible companies.

Who would be the decision makers ? I would set up multiple 5 person regional committees across the country. I'm not quite sure who would pick the members, or what their exact qualifications should be, but I can tell you what I would set as a requirement. People would only be eligible to be on the committee if they had not made a political contribution of any kind directly to a politician or to a PAC of any sort in the last 5 years. This can not be a politically dominated decision process.

The committees would then look at the submissions, starting with the ones that promised the most jobs at the least cost. Then they would do their due diligence about the company and request and make a decision. Yes or No. Equity or Debt. Terms of repayment or ownership (exit or return of capital on par with other equity partners) Then on to the next. Funding would come from short term treasury borrowings. As long as the program had submissions and those submissions resulted in positive returns, the program would continue.

Oh, and one more important element. Transparency. You apply and get your money, the amount of money you got and the jobs you committed to and for how long will be published publicly. Visibility has a way of keeping people honest.

I know this is just a rough idea, but I wanted to put it out there for consideration. **Rather than having Dems and Republicans fight ideological battles about job creation, lets get direct. Lets just ask companies to tell us how many jobs they would create and how much they need and see what it all adds up to and go from there**

What do you think ?