

# Economic Lies: Fake Unemployment and Inflation Figures Sustain the Illusion of an Economic Recovery

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How do the powerful keep the US population dumb and distracted? A key tactic has been using methodologies that produce totally misleading underestimates of key economic factors. First we learned that official unemployment figures are too low by a factor of two. Now, understand that the official rate of inflation hitting consumers is even more inaccurate. You will hear about a low inflation rate of less than 3 percent. In reality, it is closer to 10 percent, according to the highly regarded analysis by [John Williams](#).

It is difficult for any one of us to have first hand evidence that unemployment nationally is really much higher than what the government says, even though most of us know people who are out of work or taking part time work out of sheer necessity. But when it comes to rising prices hitting our pockets, credit cards and checkbooks we have a much clearer sense of what is really happening. Gasoline prices have jumped more than 10 percent in recent weeks and for most of us is about a dollar more a gallon than a year ago or so. Some experts are predicting that \$4 gas will soon hit most of the nation and, even worse, that \$5 gas may hit us this summer.

Food prices are also jumping like a frog on crack cocaine. Many of them are masked by smaller weight packaging. Health care costs, especially insurance premiums and drugs, have also hit many Americans substantially and painfully. High inflation especially hits hard those people who have seen their incomes decline. Those on Social Security receiving no cost-of-living increase have every right to be angry.

The federal government is manipulating statistics to intentionally get a low number for inflation as well as unemployment in order to mask just how awful and unfair the economy really is. Political leaders in both major parties use this propaganda strategy, as if there are simply too few intelligent Americans to see through the lies. Sadly, they seem to be correct. And the mass media push the propaganda strategy by continually hyping and spreading the intentionally false data.

"We have inflation now. If you go to the shop, whether it's groceries, or education or insurance or health care, prices are going up for everything. The government lies about it in the US ," said Jim Rogers back in [June, 2010](#). It has only gotten worse.

At this time John Williams has correctly described economic reality: "Near-term circumstances generally have continued to deteriorate. Though not yet commonly recognized, there is both an intensifying double-dip recession and a rapidly escalating

inflation problem.” Wow! How does that compare to all the glib recovery talk by President Obama and just about everyone else in government?

In addition to banks and financial companies too big to fail that benefit the rich, when it comes to the economy plutocrats think it is too bad to tell the truth.

Who is falling for the economic propaganda? [Gallup](#) measures optimism about the economy as a function of age, income and political party affiliation. Worst of all are Democrats and the young.

Meanwhile the Federal Reserve keeps printing money to cope with the budget deficit and national debt problems, which is a major reason for the sharp increases in gasoline prices.

None of any of this, of course, matters much to the rich and powerful Upper Class that is doing just fine and buying more luxury things. And the fat cats on Wall Street and in the financial sector are giving themselves huge bonuses and salaries. Dr. Phil of television fame is selling his \$15 million mansion estate so he can buy an even bigger one for \$30 million.

Over at Ford, the chief exec recently received \$56.5 million in stock and last year pulled down an additional \$26.5 million in annual compensation. The latter amounts to 910 times the annual pay of entry-level Ford workers.

In 2011, Americans who make over \$1 million will pay just 23.1 percent of their incomes in federal income tax. In 1961, the Institute for Policy Studies notes in its [newly released](#) annual Tax Day report, Americans who made over \$1 million — in our current dollars — paid 43.1 percent of their incomes to the IRS. That was when the middle class was prospering.

If congressional Republicans get their way, the middle class will feel considerable pain from program-cutting tactics to curb the national debt, while the rich Upper Class gets more tax breaks and keeps sapping the wealth of the nation as Democrats lack the courage to fight hard for increasing their taxes. With rising economic inequality the US is rapidly becoming a two-class society: 20 percent rich and 80 percent poor.

Meanwhile, whenever I listen to Obama and congressional leaders it is like watching a skit on Saturday Night Live or the Daily Show. They are that absurd.

How many more millions of Americans must experience more pain and suffering, go hungry, lose their homes, lose their jobs, postpone retirement, and go without decent health care before the public snaps out of their stupor? Not that there is very much optimism among Americans. In a University of Michigan March [survey](#) just 11 percent expect inflation-adjusted income gains during the year ahead, barely above the all-time low of 8 percent in 1980, and only 21 percent expect the economy to improve over the coming year. But where is the loud political outrage? Loud enough to scare the hell out of politicians and the rich.

When will Americans rise up as those in Tunisia and Egypt did and before that in former Soviet-bloc nations and tear down their corrupt and dysfunctional government?

Unemployment at 20 percent, inflation at 10 percent, a multi-trillion dollar national debt, and nothing but lies from politicians. Have you had enough? Do you still believe that voting in different Republicans or Democrats will fix things?

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