

More “Economic Lies” from “Our” Government: The Latest US Jobs Report

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Just as the German media has destroyed its credibility with lies, the US government is consistently destroying Washington's credibility both with its own citizens and the rest of the world.

Russia and China, the other two significant nuclear powers, no longer believe anything Washington says or any agreement that the US government signs. The Russian and Chinese governments have observed that Washington does not obey its own statutory law, much less international law and treaties that Washington has signed. Russian President Vladimir Putin has criticized Washington for acting as if its will was the only law.

Europeans know that they and their governments are Washington's vassals and that Europeans are impotent to do anything about it.

Some percentage of the 99 percent understand that Washington is aligned with the one percent against them and that their incomes and economic prospects will continue to decline.

Economists, or rather the few who haven't sold their souls, know that the government's economic data are pulled out of a magician's hat and massaged to produce numbers contradicted by reality. Unemployment is measured according to methodologies designed to prevent its discovery. Inflation is measured according to methodologies designed to deny its existence. Jobs are reported that don't exist, and GDP growth rates are announced that declines in real median family incomes and consumer credit make impossible. The poverty level income is set artificially low in order to minimize welfare spending.

The lies that Washington and the powerful private interest groups that control the US government tell us go unchallenged by the print and TV media and by NPR. The propaganda that Americans are fed is more extreme than the propaganda of Big Brother in George Orwell's 1984.

In last Friday's report the Bureau of Labor Statistics (BLS) tells us that the unemployment rate has declined to 5.8% and that 214,000 new jobs were created in October. Once again let me explain these lies to you. The unemployment rate is low because the one that the government and financial media emphasize does not count those millions of Americans who have become so discouraged from looking for jobs that do not exist, that they have quit looking. If you give up and stop searching for a job, the US government does not count you as a member of the work force. You are unemployed but not counted as unemployed.

The uncounted unemployed can be measured in the sharp 21st century decline in the labor

force participation rate. The labor force participation rate has declined because there are no jobs to participate in. But Washington, the financial media, and the bought and paid for economists lie. They say the participation rate is down because the baby boomers are retiring. However, as John Titus, Dave Kranzler, and I documented with the government's own data in a recent column, the participation rate of baby boomers is the highest of all and the only one that is rising. <http://www.paulcraigroberts.org/2014/09/04/lie-serves-rich-roberts-titus-kranzler/>

The reason is that with the Federal Reserve's sole concern with the welfare of a small handful of mega-banks—the ones that sit on the board of the New York Federal Reserve Bank—real interest rates are negative. Therefore, retirees have no income from their retirement savings. (Generally speaking, retirees avoid stock investments, because they can lose a great deal from a major correction, and it can take more years than they have left for stocks to recover.) To supplement their Social Security pensions (a rigged CPI prevents or minimizes cost-of-living increases), retirees take the temporary, lowly paid jobs that are all that the US economy can produce. These jobs do not provide sufficient income with which to form a household.

As I have pointed out for a decade, or longer, the US economy no longer creates First World jobs. The US economy creates jobs for waitresses and bartenders, hospital orderlies, and retail clerks. The fact that the complexion of the US work force is becoming Third World is not considered a notable problem by the media or financial press, and economists seem immune to the facts.

Let's look, once again, at the BLS payroll jobs report for October 2014: <http://www.bls.gov/news.release/empsit.t17.htm>

There are 209 thousand private jobs created and 5 thousand government jobs created.

Where are the private jobs?

Almost all of them—181,000—are in lowly paid private services.

Retail trade with 27,100 jobs, wholesale trade with 8,500 jobs, and transportation and warehousing with 13,300 jobs provide 48,900 jobs. With middle class retail stores closing and even dollar stores failing and with consumer income (except for the rich) and credit (except for student loans) shrinking, do you really believe that consumer spending supported almost 50,000 new jobs in October?

Where is the money coming from?

The vast amount of money that the Fed has created has gone into the handful of mega-banks to support the banks. The banks are not buying consumer goods.

The BLS reports that 37,000 new jobs were created in October in professional and business services. Employment services, such as temporary help services, account for 24,000 or 65% of these jobs.

Another old standby is education and health care services, which provided 41,000 new jobs. Health care and social assistance provided 27,200 of these jobs and home health care services provided 7,400 of these jobs. Together lowly paid services provided 84% of the jobs

in health care services.

Now we come to the major jobs sector in America: waitresses and bartenders. Waitresses and bartenders are classified under “leisure and hospitality,” which claims 52,000 new jobs in October of which 41,800 or 80 percent are waitresses and bartenders.

If you look at the jobs that the BLS reports the US is creating, they are third world jobs.

How is the US “the world’s only superpower” when it cannot create a middle class job.

Amidst the media hype of 214,000 new October jobs, here are some very disturbing facts: In October job cuts rose 68% from the previous month and 12 percent from the previous year. So far there have been 414,591 job eliminations in 2014 with 51,183 of these coming in October.

Where are the job cuts? Retail store closings have produced 38,948 retail job reductions in 2014 with 6,874 of those coming in October. Yet, the BLS reports consistent job growth in retail jobs.

Hewlett Packard cut 5,000 jobs in October, bring its year’s total to 21,000 lost jobs.

Microsoft eliminated 6,509 jobs in October for a year to date layoff of 55,511, a rise of 92 % from 2013.

In October the electronics industry cut 1,648 jobs, bringing the year to date loss to 18,153.

The telecommunications industry cut 5,217 jobs, bringing the year to date loss to 20,038, an increase of 81% from 2013.

According to Wolf Richter, US job losses in the tech sector have risen 97 % from the previous year. <http://wolfstreet.com/2014/11/07/layoffs-explode-in-big-old-american-tech/>

My point is: how does consumer demand grow in order to propel the economy when good jobs are replaced by low-paying jobs?

Perhaps one day economists will notice the problem.

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