

Washington's Hegemonic Ambitions Are Not in Sync With Its Faltering Economy

By [Dr. Paul Craig Roberts](#)

Global Research, January 09, 2013

paulcraigroberts.org

Region: [USA](#)

Theme: [Global Economy](#)

In November the largest chunk of new jobs came from retail and wholesale trade. Businesses gearing up for Christmas sales added 65,700 jobs or 45% of November's 146,000 jobs gain.

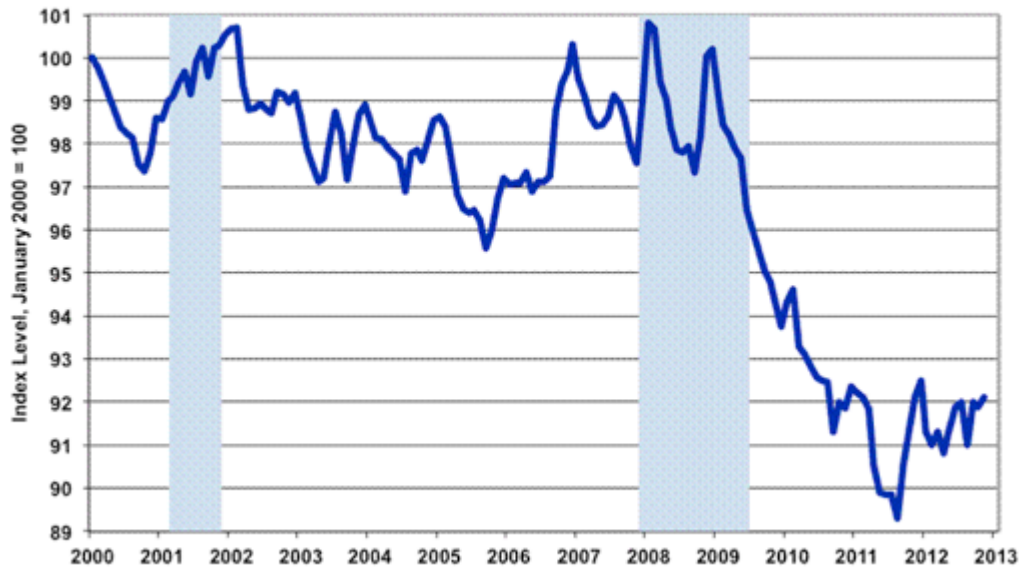
With December sales a disappointment, these jobs are likely to reverse when the January payroll jobs report comes out in February. Family Dollar Stores CEO Howard Levine told analysts that his company's customers were unable to afford toys this holiday season and focused instead on basic needs such as food. Levine said that his customers "clearly don't have as much for discretionary purchases as they once did."

For December's new jobs we return to the old standbys: health care and social assistance and waitresses and bartenders. These four classifications accounted for 93,000 of December's new jobs, 60% of the 155,000 jobs.

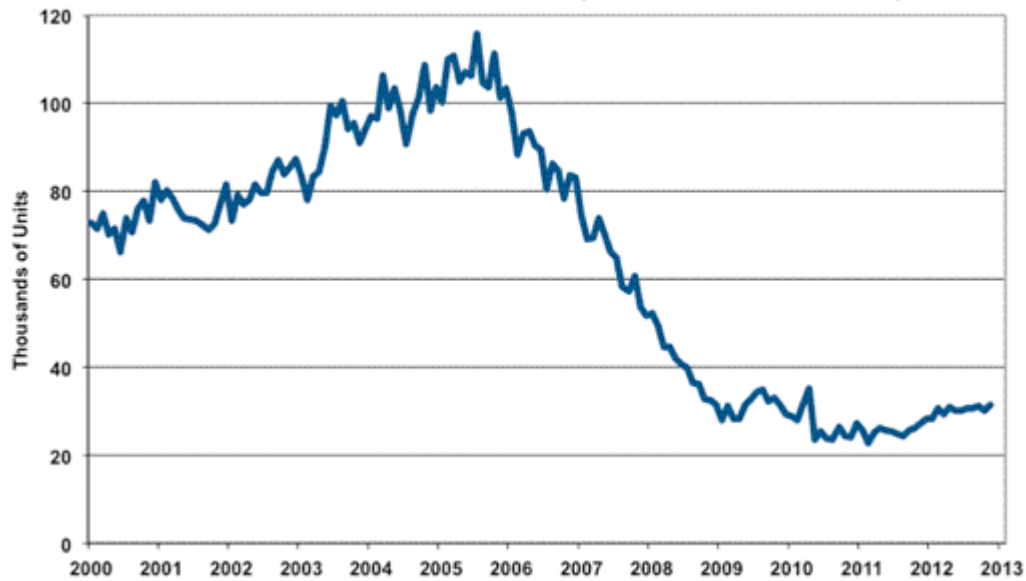
Obviously, the economy is not going anywhere except down. It takes approximately 150,000 new jobs each month to stay even with population growth and new entrants into the work force. Few of the jobs that are being created pay well, and the constant, consistent demand for more poorly paid waitresses, bartenders and hospital orderlies is difficult to believe. If Americans cannot afford toys for their kid's Christmas, how can they afford to eat and drink out?

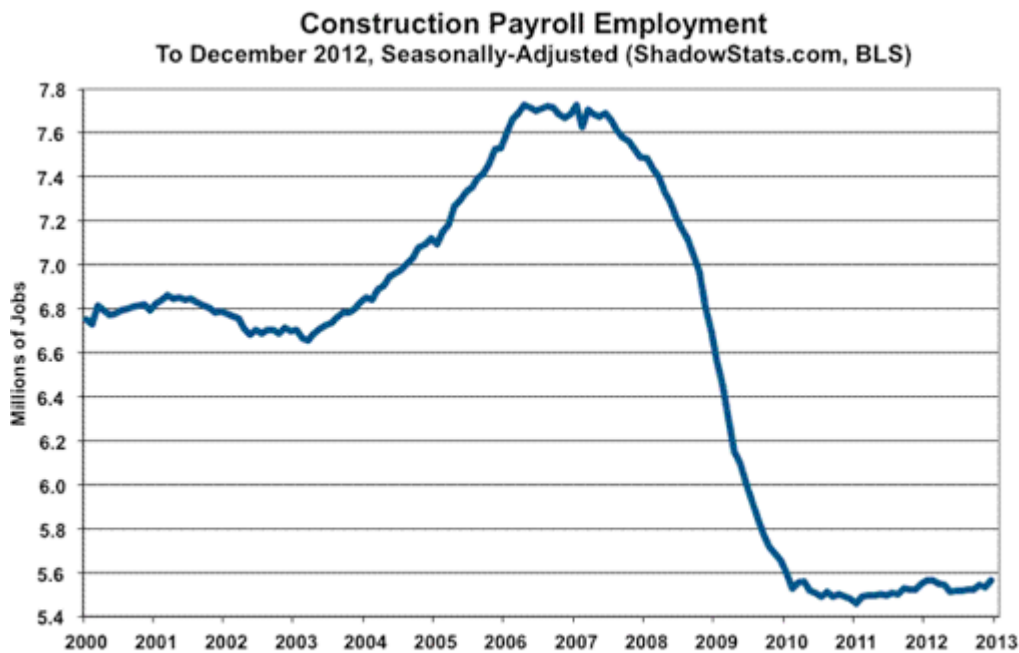
Media spin seeks to create a recovery out of thin air, but these graphs from John Williams (shadowstats.com) show the reality:

Real Median Household Income Index (Monthly Level)
To Nov 2012, Seasonally-Adjusted (www.SentierResearch.com)



New Home Sales (Monthly Level)
To Nov 2012, Not Annualized, SA (ShadowStats.com, Census)





Keep in mind that the 7.8% unemployment rate (U.3) that is headlined by the financial media does not include discouraged workers who have ceased to look for jobs. The government's U.6 rate includes workers who have been too discouraged to seek work for less than a year. This rate of unemployment is 14.4%, almost twice the U.3 rate that the media prefers to report.

In 1994 the US government defined out of existence unemployed Americans who have been discouraged from finding work for more than a year. John Williams estimates the long term discouraged workers. When his estimate is added to the U.6 measure, the US unemployment rate stands at 23%, three times the reported rate.

The rate of unemployment is so high because millions of US jobs have been offshored and given to Chinese, Indian, and other workers and because remaining businesses have been concentrated in few hands in violation of the anti-trust laws. (Go to [this URL to see the concentration of the media](#))

We need to be concerned about a financial media and economics profession that believes a recovery is underway when the unemployment rate is so high and the real median income is so low. It is a mystery how any set of policymakers could possibly have believed that a country whose economy is driven by consumer expenditures can continue to expand when the jobs that produce the incomes that drive the economy are given to foreigners in foreign lands.

Essentially, Americans were told a packet of lies designed to win their gullible acceptance to an economy that produces high returns for Wall Street, shareholders, and corporate executives at the expense of everyone else in the country. The wage savings from the use of overseas labor means large rewards for the one percent and Family Dollar customers who cannot afford to buy toys for their children at Christmas.

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Dr. Paul Craig Roberts](#)

About the author:

Paul Craig Roberts, former Assistant Secretary of the US Treasury and Associate Editor of the Wall Street Journal, has held numerous university appointments. He is a frequent contributor to Global Research. Dr. Roberts can be reached at <http://paulcraigroberts.org>

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca