



Jobs? What Jobs?

When CNBC announced that the number of workers filing new claims for unemployment benefits fell last week while private employers added new jobs in May, this was “further evidence [that] the labor market was improving.” In more muted fashion, the Associated Press called it a “slow-motion recovery,” but a recovery nevertheless.

This was in line with Vice President Joe Biden’s [prediction](#) back in April that the economy would be adding between 250,000 and 500,000 jobs “in the next couple of months.” Similar sentiments were [echoed](#) by President Obama on Wednesday in a speech at Carnegie Mellon University



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[The economy] ... has now been growing for three consecutive quarters ... we’ve now added jobs for five of the last six months, and we expect to see strong job growth in Friday’s report ... this economy is getting stronger by the day.

Tomorrow, according to [MarketWatch.com](#), the Bureau of Labor Statistics is expected to announce that job growth in May exceeded 500,000 new jobs on top of the nearly 300,000 jobs “created” in April.

The only trouble with these numbers, and the conclusion that the economy is now growing, is that both are wrong. From Switzerland, the [Daily Bell](#) reported in “US Economic Recovery of Lies,” “The trouble with economic reporting in the West is that it simply does not tell the truth.” First, there is no recovery. Second, unemployment is at least twice as high as reported in the media. In analyzing data from the Commerce Department, “Consumers spent less [in the last quarter] than first estimated... [and the] same goes for business spending on equipment and software.” The official estimate of GDP growth during that quarter, according to the Department, had to be revised downward significantly, from 3.4 percent to just 3 percent.

The actual number of real jobs created by private employers in May, as reported by [ADP](#), was only 55,000, down from 65,000 in April. The consensus of economists surveyed by MarketWatch prior to the ADP announcement was to show an increase of 110,000 jobs. And a footnote to the BLS announcement explains that about 400,000 of those new jobs “created” were from the Census Bureau. And even those Census Bureau numbers are [questionable](#). Over the past four months, private-sector job growth has averaged 39,000 per month using ADP’s reports, as compared to 120,000 per month from BLS numbers.

[Rasmussen Reports](#) confirms the lower ADP numbers with its current Employment Index down 13 points from September 2008, and just 19 percent of workers reporting that their firms are hiring. According to Rasmussen, “May was the 10th straight month during which the number of workers who report their firms are laying off was higher than the number who said their firms were hiring.” The



Written by [Bob Adelman](#) on June 3, 2010

unemployment rate that is widely reported in the mainstream media as under 10 percent is greatly understated as well. The U6 number, made available at [ShadowStats.com](#), shows more than 16 percent unemployed or underemployed, while their own SGS analysis puts the more reliable number at over 20 percent. Others put it [even higher](#).

Not only are the official government statistics on job growth excessively optimistic, government itself is to blame for the poor performance of the economy. As one example, minimum wage laws keep workers, especially teens, from being employed. Diana Furchtgott-Roth, writing for [RealClearMarkets](#), pointed out that teen unemployment is almost three times higher than the general population, largely due to a minimum wage law that requires employers to pay no less than \$7.25 an hour. Naturally, she points out, any job that is worth less than that to an employer won't be filled.

It goes without saying that government cannot "create" jobs. It can only spend what it takes from the private sector. It has no other resources. And it will take vastly more than 50,000 new real jobs every month to put people back to work. Even if the mainstream numbers could be trusted, with 15 million unemployed and 500,000 new jobs a month, it would take two and a half years just to get back to even. If 25 million are unemployed or underemployed, and real jobs are averaging 40,000 a month, the recovery will take 625 months.

The *Daily Bell* concludes that "it is central banks, by overprinting money, that cause booms and busts [in the first place] ... The power elite ... stands behind this public/private central banking system ... the central bank is an engine of centralization. After every boom cometh a bust and after every bust more businesses go bankrupt and more of the middle class is washed away. That's why the AP's statement about the American recovery certainly stretches the truth."

As more and more citizens come to rely less and less on such Alice in Wonderland statements from Biden, Obama, CNBC, the Associated Press, and others, the conclusion that the economy is getting better is harder and harder to sell. Clamors for less government not only in size but in scope continue to increase. As Austrian School economist Henry Hazlitt put it

The ideas which now pass for brilliant innovations and advances are in fact mere revivals of ancient errors, and a further proof of the dictum that those who are ignorant of the past are condemned to repeat it.

Hazlitt's solution? "Stop the Remedies!"

Photo: On April 27, 2010, job-seeker Julian Richards fills out an employment application during a job fair in Tacoma, Wash.: AP Images



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