# Geithner: Jobless Rate to Stay “Unacceptably High”

Voice of America on April 1 quoted U.S. Treasury Secretary Timothy Geithner’s statement that the U.S. jobless rate will be "unacceptably high" for a long time.


VOA, an official U.S. government-operated news service, reported that the U.S. economy shed more than eight million jobs during the recession and that the unemployment rate is currently “a relatively high” 9.7 percent. ??The U.S. federal government is scheduled to publish an updated unemployment report on April 2.

The report cited “economists interviewed by news organizations” who said that their data will show a net gain in jobs for only the second time since the recession began.?? A separate government report published on April 1 by the Labor Department showed that the number of Americans signing up for unemployment compensation declined slightly during the prior week, by 6,000 to a total of 439,000.

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Reuters news quoted from Geithner’s statement, made on n NBC’s *Today Show*: "The unemployment rate is still terribly high and it’s going to stay unacceptably high for a long period of time.”

Reuters also cited economists it polled, who expected the Labor Department report to show that the economy has added 200,000 jobs.

"The economy’s going to start creating jobs again," Geithner said. "The economy’s growing now, that’s the first step and with growth jobs will come."

Geithner also said that “a regulatory overhaul: working its way through Congress will ensure that the government will not have to rescue the financial-services industry again, stating: "The president is not going to sign a bill that doesn’t have strong enough teeth.” Geithner also made another statement that indicated he believed the answer to the poor economy is more government regulation and control: "What happened in our country should never happen again. *This is a job for governments*, to do a better job of constraining that kind of risk-taking.” (Emphasis added.)

One day before his *Today Show* comments, Geithner visited a Pittsburgh metals factory, citing it as an example of the type of heavy industry that can succeed in the United States despite stiff competition from abroad.

"This is a sector that will play a critical role in helping to spur our economic recovery and contribute to our long-term prosperity," the *Washington Post* quoted Geithner after he toured a mill where Allegheny

Technologies, Inc. produces specialty metal plates. During his trip to Pittsburgh, Gethner also met with representatives of United Steelworkers and U.S. Steel. ATI has a U.S. workforce of about 7,800 and several hundred employees abroad — including at a joint venture in China.

"We seem to have been in denial that this is a problem. Well, it’s a problem," the *Post* quoted Wayne Ranick, a spokesman for United Steelworkers International. Ranick said union leaders have told Geithner that China’s currency policy was "one of the chief causes of bankruptcy and job loss" among U.S. manufacturers, and urged the Treasury secretary to act.

It is little surprise that Secretary Gethner’s solution to remedy an economy devastated by too much government control is *more* government control. Like many cabinet members in both Democratic and Republican administrations going back to the end of World War II, Geithner is a member of the Council on Foreign Relations — an elite policy group committed to erasing the political and economic divisions that once protected the sovereignty of free, independent nation states.

There are many factors responsible for our nation’s current economic malaise, and almost all of them can be traced to a government that has become too big and too restrictive. During the first century and a half of our Republic, our economic system allowed for commercial enterprise to flourish — or fail — according to the diligence of its entrepreneurs and the dictates of the only persons legitimately qualified to impact a business’s success: the consumers.

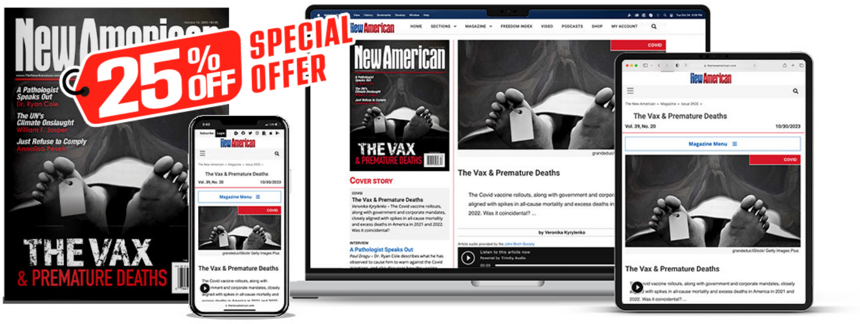
Picture a neighborhood lemonade stand where children charge 10 cents a glass (this writer remember lemonade stands of the 1950s. Maybe they charge a dollar today!) for lemonade because that is the commonly agreed-upon going rate. Then picture government getting involved in the equation. They might dictate that the stand owner charge two cents a glass, in which case the boy or girl would not realize enough money to cover costs and soon go out of business. Or the neighborhood restaurant owner, fearing competition, might pressure the city to make the child charge one dollar a glass, making it so expensive no one would buy it. Suppose the city gave the kid down the block a subsidy, so he could charge only five cents and still make a profit? The unsubsidized child could not compete and would again fail.

This oversimplified scenario serves to demonstrate what happens when government will not allow the free market to operate. In today’s economy, U.S. manufacturers operate under handicaps such as government-imposed miles-per-gallon requirements, emissions requirements, carbon emissions restrictions, and overly zealous safety requirements that regard plant employees as nitwits.

In contrast, competitors such as China do not impose such handicaps on their state-owned plants, while using coerced labor at sub-standard wages. As anyone who has tried to find a product recently that is *not* made in China knows, low-priced Chinese goods have practically chased American products off our shelves.

How can our government best “stimulate” our economy? The same way a 300-pound farmer might stimulate his mule to plow more acreage — by getting off its back!

*Photo: Treasury Secretary Timothy Geithner with United Steelworkers President Leo Gerard at the United Steelworkers headquarters in Pittsburgh, March 31, 2010: AP Images*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