



The October Jobs Report: Precious Little Good News

But inside the numbers there was a little good news: The unemployment rate dropped slightly to 9.0 percent, the number of long-term unemployed declined by 365,000 and private-sector employment increased by 104,000. At the same time government payrolls have been decreasing, reducing slightly but inevitably the drag on the private sector that ultimately pays for that government overhead. In fact, according to the BLS, “employment in both state and local government has been trending down since the second half of 2008,” having shrunk by nearly 500,000 jobs. The August and September private-sector employment numbers were revised upwards as well, showing that sector struggling but making some progress in putting people back to work in real jobs.



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In the meantime President Obama’s “jobs bill” continues to be excoriated as being nothing more than show and tell for his political purposes. His flawed infrastructure plan couldn’t even [get past](#) the Democrat-controlled Senate as more are recognizing that dumping more money into the economy by taking it from the productive sector is counterproductive, to be kind about it. And his “executive proclamation” establishing the Fort Monroe National Monument in Hampton, Virginia, was touted to generate as many as 3,000 jobs in the area. The President failed to mention that those jobs, if they exist at all, would be temporary and would cost the economy at least 3,000 jobs that the private market would create with those same funds if left in the hands of those who earned them.

Right after the announcement of that jobs bill, Peter Schiff, president of Euro Pacific Capital and author of [How an Economy Grows and Why It Crashes](#), [testified](#) before the House Sub-Committee on Government Reform and Stimulus Oversight and decried that bill as “merely another government stimulus program in disguise. Like all previous stimuli that have been injected into the economy over the past three years, this round of borrowing and spending will act as an economic sedative rather than a stimulant.”

Then Schiff offered his thoughts on what government could actually do to let the private sector create more jobs:

- Abolish the federal minimum wage.

All the minimum wage does is guarantee the unemployment of those who would like to work but can’t produce enough to justify what their employer is required by law to pay, and so the employer doesn’t hire them.



Written by [Bob Adelman](#) on November 4, 2011

- Repeal all federal workplace anti-discrimination laws.

Said Schiff: "Business owners are wary of legal liability associated with various categories of protected minorities ... which are much more likely to sue employers."

- Repeal all laws mandating employment terms such as work place conditions, over-time, benefits, leave, medical benefits, etc.

Employment is a voluntary relationship between two parties. By mandating restrictions, limitations, and requirements into this essentially private transaction, it makes it less likely, given the costs involved to comply, that the hiring and employment transaction will even take place. As Schiff testified:

"Individuals should not gain rights because they are employees, and individuals should not lose rights because they become employers."

- Abolish extended unemployment benefits

Extended unemployment benefits become an impediment to employment causing the unemployed individual to stay home rather than seek employment. As Schiff told the subcommittee: "Any job that does not offer a major monetary advantage [over] unemployment benefits will likely be turned down.... It is no accident that employment increases immediately after unemployment insurance expires [as] many individuals will seek to max out their benefits and remain unemployed until those benefits expire."

Despite Schiff's good intentions and well-reasoned recommendations, little is likely to change. And that means that little improvement in the employment numbers to be reported by the BLS in the months to come is to be expected. If nothing changes, why would anything change?



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