

Jobless decline: latest fake 'recovery' figures

by Leif Johnson

A recent poll reported by columnists Evans and Novak found that 14 percent of the population now believes that the recession has ended. Last May, 18 percent of the population believed the recession was over. This must have come as depressing news to those, particularly in the administration, who have been whooping recovery with every statistic reported in the press.

The President devoted a substantial part of his Aug. 7 radio talk to the Bureau of Labor Statistics report of the previous day which found unemployment had dropped half a percentage point from June to July, the largest month to month drop since December 1959.

The President's continued belief in the recovery is being met with enormous cynicism by the American population, as the Evans and Novak report indicates. Most Americans, correctly, believe that the officially reported unemployment statistic vastly understates the real level of unemployment.

Yet the problem for the administration's recovery-monitoring is more serious than that. Even if we accept the BLS figures which intentionally omit more than 10 million of the disguised unemployed—the welfare population, part-time workers (which the BLS counts as “employed”), older men pushed out of the workforce before age 65, students who would work if they could find work, and the handicapped—the July unemployment figures provide no evidence of any recovery.

In every recovery, including the 1976 turnabout, adult men returned in substantial numbers to their former jobs. As a BLS economist explained, “Traditionally, adult men predominate in cyclically sensitive industries. Therefore, their return to employment is taken as a definite sign of recovery.” This is precisely what has not occurred in the imagined recovery of 1983.

The drop in officially reported unemployment from June to July shows that joblessness among adult women dropped 8.8 percent and unemployment among teenagers decreased by 6.9 percent, but unemployment of adult men sank only 1.5 percent. This means that proportionally, the hiring of women and teenagers was much greater than that of adult

men.

The failure to rehire adult men is a very strong argument, even by official statistics, against the notion that there is a recovery in the U.S. economy. But further analysis is even more conclusive. In the table, “Persons at Work,” the BLS reports that there was an increase (seasonally adjusted to discount the summer hiring bulge) of 1.714 million, of which 781,000 were in part-time jobs. Thus 45.6 percent of all additional persons at work were part-time workers, a phenomenon entirely uncharacteristic of a genuine recovery.

The administration, among other recovery boosters, has made much of the reported half percentage point July drop in unemployment being the largest since December 1959. Scrutiny of the 1959 unemployment drop using the same categories—adult men, adult women, and teenagers—shows a profound difference between the actual recovery of 1959 and the imagined one of 1983. From November and December 1959, the increase in adult male employment was 589,000, a percentage rise of 1.4 percent. The drop in adult male unemployment was 414,000, in percentage terms, 18.0 percent. But from June and July 1983, the rise in adult male employment was only 292,000, or 0.5 percent, while the drop in unemployment was a scant 80,000 or 1.5 percent. The contrast could scarcely be sharper: the large November-December 1959 drop in adult male unemployment shows the effects of a true recovery; the shallow dip in June-July 1983 male joblessness shows that no recovery is occurring.

Statistics for female and teenage employment and unemployment for 1959 show the characteristics of a true recovery. Then female employment rose by 0.6 percent and unemployment rose by 3.2 percent (women tend to be replaced by men in a recovery) while teenage employment rose 2.6 percent and teen unemployment increased 4.5 percent. (The reason for these seemingly contradictory BLS statistics is that they measure the number of people working and the number of people looking for work.) Compare these figures with the 1983 non-recovery: female employment June-July rose 0.9 percent but unemployment fell by 8.8 percent while teenaged employment fell 2.6 percent and unemployment dropped 6.9 percent.

In 1959 the drop in male unemployment was responsible for the entire fall in unemployment; in 1983, the decrease in male unemployment accounted for less than one quarter of the decrease in unemployment reported. Add to this that nearly half of the persons newly at work in 1983 are only part-time, and we have a picture that firmly contradicts any real economic recovery.

What we do see is the misery inflicted upon American families who must send their women and children to work—to an extent yet greater than already reached. We see the once-employed steel worker replaced by his wife and even children to maintain a family income; we may also see him accept a part-time job, perhaps at half-pay. If we take such a hypothetical case, one job is replaced by three—and the total employment increases while the unemployment rate falls.

Of course, the hypothetical steel worker is by no means

just hypothetical: the adult male employment rate (percent of men 20-65 who are in the labor force) was 81.2 percent in 1965 but had shrunk to 72.3 percent in 1981. On the other hand, only 37.6 percent of the women participated in the labor force in 1965 compared to 43.9 percent in 1981, while the teen employment rate went from 38.9 percent to 43.9 percent.

The reason that a drop in BLS unemployment cannot be taken to signify a recovery is that the BLS does not care what kind of job or what hours the worker works. The tragic shift of U.S. employment—from basic industry, construction, and development and infusion of new breakthrough technologies, to menial and low-paid employment in service industries—is of no concern to the BLS unemployment rate. The BLS hides this transformation and the social degradation of the labor force by its own method of measuring employment.

To the BLS, a job is a job is a job. Anyone who works at least one hour during the pay period containing the twelfth day of the month is employed. If an auto worker making \$14 an hour is laid off but finds a job pumping gas from 8 p.m. to midnight at \$3.50 an hour, he is employed.

By the BLS methods of calculations, Hitler cured German unemployment in the 1930s.

Americans not ideologically blinded by the media propaganda machine recognize that the crushing unemployment brought by the second downward descent of the Volcker Depression, beginning in 1981, has been only marginally alleviated. The unemployment figures are faked, however, not merely by statistical juggling (there is evidence of this as well), but in the very definition of employment and unemployment, and in the implications of published figures. To summarize how this is done:

1) The BLS encourages the assumption that a drop in unemployment—as it defines unemployment—is synonymous with economic growth. This year this has been proven a myth, as the failure to rehire adult men in jobs in basic industry, substituting female and teenage part-time jobs, is the clearest sign not of growth, but of a rapid advance toward a non-productive service economy. As the BLS figures themselves show, the economy has merely added low-paid non-productive overhead employment.

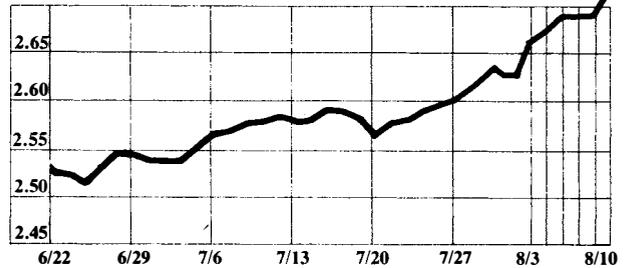
2) The BLS counts even the most marginally employed either in terms of hours worked or type of work as employed. With the inclusion of the Armed Forces as part of the labor force in January 1983, the BLS measure is essentially no different than the one used by Nazi Germany to glorify its cure for unemployment.

3) Unemployment is defined by those workers who are searching for a job. The 17 million Americans working part-time, of whom 6 million by BLS admission would like to work full-time, are counted as employed, not unemployed. More than 1 million workers forced out on early retirement are “out of the labor force,” as are the unemployed temporarily in school or on welfare, and the handicapped. Being “out of the labor force,” they cannot be counted as unemployed.

Currency Rates

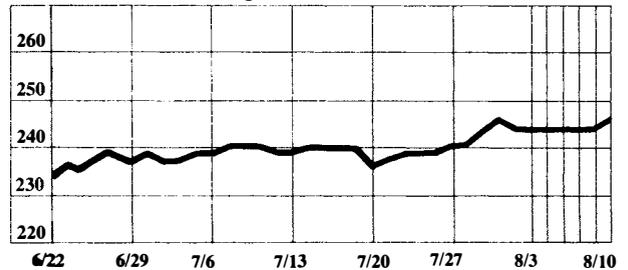
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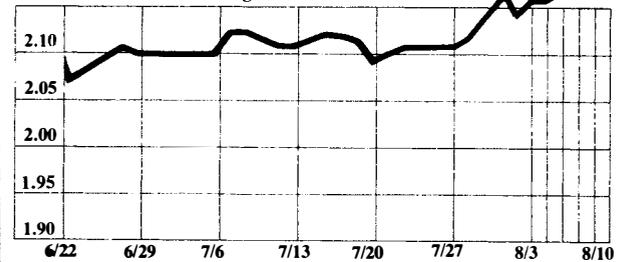
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