Labor in Focus by Anthony K. Wikrent

The U.S. labor farce

Unemployment is growing, especially in the auto sector, and government statistics can't hide the depression forever.

If anyone doubts that the policy of the U.S. government is to lie, they should take a quick look at the official statistics on the U.S. labor force. They're a farce.

According to the Labor Department's Bureau of Labor Statistics (BLS), the U.S. economy shrunk by 187,000 jobs in October, but unemployment increased by only 4,000. The reason: The BLS shrank the labor force by 183,000 people.

Perhaps the seeming inability of the U.S. government to even come close to telling the truth has to do with the commonly accepted definition of what constitutes a depression: something significantly over 10% of the labor force unemployed. According to the BLS, there are now 7.073 million Americans out of work, meaning that the U.S. government's official figure of unemployment in the United States now stands at 5.7% of the civilian work force.

In fact, according to a soon-to-be-released analysis by *EIR*, there are actually about 22.5 million Americans out of work, yielding a depression-level unemployment rate of approximately 17%. Real economic activity is focused on producing and improving those items necessary for supporting and reproducing human life at ever higher standards of living. Thus, the most important sectors of the labor force are the manufacturing, construction, and agricultural operatives who produce the houses, clothes, cars, and food we all need, and the research scientists, engineers, and technology experts who seek to improve those things we need, and the efficiency of the means by which they are produced.

By such a yardstick, even the heavily massaged statistics of the U.S. government reflect a rapidly worsening depression. The goods-producing sector—which ought to account for at least half of the labor force, as it did immediately after World War II, but which now accounts for only 20.02%—lost 120,000 jobs in September, and has lost 387,000 jobs, or 1.5%, in just one year. The manufacturing sector lost 60,000 jobs in October, for a loss of 175,000 manufacturing jobs since August, and 580,000 since the number peaked in January 1980. Construction employment dropped by 80,000 in October, and unemployment in the sector hit 13.2%. Since June, 165,000 construction jobs have disappeared.

The situation is about to worsen, dramatically. On Oct. 31, General Motors announced that it will idle 16 of its 29 auto and truck plants for up to four weeks beginning in November. That will idle 43,500 hourly workers, and fully three times that number can be expected to be laid off from suppliers of GM. Already, before GM's announcement, there were 1,127,000 Americans temporarily idled in September, 39.5% more than the 808,000 average in the first six months of 1989, and 22.8% more than the 918,000 in June. Workers losing their jobs and applying for unemployment benefits rose by 50,000 in just two weeks in October, to 454,000 per week. Last May, claims were running at about 350,000 per week.

Moreover, the number of workers who have not been laid off, but have had their hours curtailed, jumped 8.2% in September to 2.65 million, from the average of 2.45 million for the first eight months of the year.

This new round of layoffs in the auto industry is crucial, because the phase change in the devolution of the economy that forced the word "recession" into open circulation in the tightly controlled U.S. media, can be traced to the near total shutdown of the auto industry in the first two weeks of this year, when GM, Ford, and Chrysler idled 45 assembly plants, laying off 120,000 workers, and collapsing U.S. auto and truck production for January 1990 to 581,424 units, only 55.9% of the 1,040,864 units produced in January 1989. In the first week of January, GM produced only 1,284 cars—just enough to keep the assembly line machinery lubricated—97% fewer than the 50,343 cars GM produced in the same week of 1989.

By the summer, the collapse of tax revenues had forced the federal budget deficit out of control, and the rest of the economy had become so shaky that more and more economists began to wring their hands over the "possibility" of a "recession."

Now, another wave of layoffs and unemployment is about to sweep through the U.S. auto industry, further debilitating the economy. Whether Bush and his Anglo-American backers will abandon their policies of post-industrialism, environmentalism, and usury that caused the mess in the first place, is open to doubt. A crisis, after all, is simply the refusal to modify behavior that has been shown to be increasingly harmful. The only safe bet is that if Bush doesn't heed economist Lyndon LaRouche's advice by the end of this year, the "D" word will be as openly bandied about by spring of next year, as the "R" word is now.