

Job Disinformation from *The New York Times*

BY PAUL CRAIG ROBERTS

On Friday Feb. 3 the Bureau of Labor Statistics released the nonfarm payroll jobs report for January. *New York Times* reporter Vikas Bajaj wrote an upbeat news story (repeated the following day by his colleague Louis Uchitelle), obviously based on a Labor Department press release rather than any study of the BLS report. If the rosy view of Ethan Harris, chief economist for Lehman Brothers, is typical, Wall Street has no more idea than Bajaj of what the jobs report really says.

The export- and import-competitive sectors of the U.S. economy have been tanking for a long time. The latest BLS payroll jobs report says that January 2006 is now the 61st month that the U.S. economy has been unable to create any jobs except jobs in domestic nontradable services, most of which are low paid. Of the 194,000 private sector jobs created in January, 46,000 were in construction (and most likely went to Mexican immigrants, both legal and illegal) and 136,000 were in domestic services: Financial activities (essentially credit agencies) account for 21,000 jobs. Administrative & Waste Services account for 17,600. Health Care & Social Assistance account for 37,500. Waiters, Waitresses and Bartenders account for 31,000. Wholesalers account for 15,100.

There were 7,000 new jobs in manufacturing in January, but the total number of manufacturing jobs in January 2006 is 48,000 less than in January 2005. Over the past five years, millions of manufacturing jobs have been lost. At the rate of 7,000 new manufacturing jobs per month, the lost manufacturing jobs over the past five years would not be regained for 34 years.

Does anyone remember when reporters were curious? In his rosy jobs report, Vikas Bajaj does let it out of the bag that "economists estimate that the nation needs to add roughly 150,000 jobs a month just to keep up with population growth." That translates into 1,800,000 new jobs per year to stay even with population. Over the past 61 months 9,150,000 new jobs were necessary in order to prevent population growth from pushing up the unemployment rate.

How many new jobs have been created over the past five years and one month? According to the Bureau of Labor Statistics' latest revisions, a total of 1,054,000 net new private sector jobs were created over the past 61 months (January 2001 through January 2006). Add the total net government jobs created over the period for a total net job creation of 2,093,000 jobs over the past 61 months.

That figure is 7,057,000 jobs short of keeping up with population growth!

What, then, does it mean for Bajaj to tell the *Times*' readers that the unemployment rate has fallen to 4.7%, a rate that economists consider to be essentially full employment?

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The unemployment rate does not measure the millions of Americans who have lost their jobs to offshore outsourcing and to foreign workers brought into the U.S.A. on work visas. These millions of Americans have exhausted their unemployment benefits and severance benefits and have been unable to find jobs to return to the work force. Economists refer to these millions of unemployed people as discouraged workers who have dropped out of the work force. As they have given up searching for jobs, they are not considered to be in the work force and, therefore, do not count as unemployed.

If you are an American engineer whose job has been outsourced to India, China, or Eastern Europe, where the cost of living and salaries are far below U.S. standards, or you are an engineer who has been forced to train as your replacement an Indian engineer imported on a H-1B or L-1 work visa, where do you go to find a new engineering job? All the companies are doing the same thing.

It is amazing to hear politicians and corporate executives blabber on about a

shortage of engineers and scientists when there are now several hundred thousand unemployed American engineers. The corporate executives, whose own bonuses grow fat from replacing their American employees with foreigners who work for less, spread disinformation about "shortages" so that Congress will give them more H-1B visas. This is one of the greatest frauds ever perpetuated on the American people.

If the unemployment rate is now at essentially full employment, why only a few days ago did 25,000 Americans apply for 325 jobs at a new Chicago Wal-Mart?

Americans are not being told the truth about anything, not about Iraq, not about Iran, not about terrorism, and not about

the disastrous state of their economy. The information is available, but the people have no way of finding out about the economy if they are not trained economists with some knowledge of the data (except by watching Lou Dobbs on TV). Few economists themselves will tell them, because if they do they will lose their corporate and government grants. It is not in the corporations' interest or the Bush administration's interest for Americans to know what is happening to them.

Washington-based economist Charles McMillion of MBG Information Services tells it the same way (and he has been doing so much longer than I have). Here is his summation of the January payroll jobs report: "The familiar pattern continued with almost all job growth occurring in industries that face little or no outsourcing or import competition: construction, health care and social services, restaurants and bars, credit agencies and wholesalers."

The politicians, the media, and the corporations are all lying to you. CP

Paul Craig Roberts was Assistant Secretary of the Treasury in the Reagan administration.

(India continued from page 1)

Chubais, head of the state Privatization Committee, who complained that the Russian oligarchs “steal and steal and steal. They are stealing absolutely everything and it is impossible to stop them.” The deflation of Russian civil society made any resistance impossible, whereas in India, as we shall see, civil society is as yet engaged. To “steal” is to strip assets. The best assets in the public’s arsenal are to be sold off to raise revenues, while the public sector is to continue to own and run less fiscally profitable concerns. The removal of the fiscally productive divisions further cripples the public sector, and validates anew the view that anything owned and run by the state is inefficient. This is an immense *political* advantage for the bourgeoisie. Delhi and Mumbai airports, both profitable ventures (they earn 65% of the revenues of the Airport Authority of India), are to be given over to the South African firm, GVK-ACSA, and the German firm, Fraport AG (which has been in some hot water over its Manila airport work, but which has its claws on airports from Lima to Belgrade). There is no incentive to auction off fiscally less sound assets. And besides, a Parliamentary commission found that the “modernization program” promised by these firms would become redundant by 2012: hardly a long-term approach to development.

The media reports on the destruction of property at the airport and on the trash that has piled up as a result of the strike. The indignation is contagious. The outrage, however, is restricted to all that which is inconvenient for the bourgeoisie itself, not that which is unbearable to the workers. Those who do not fashion anything with their hands cannot appreciate that those who do don’t destroy their handiwork happily. They built and maintain the airports, and they will be the ones to clean it up as the demonstrations die down: industrial actions of this kind are not the carnival that one imagines. The workers come to them out of anger for their conditions, not out of a kind of *jouissance* towards destruction (recall: the adjectives most often placed before “destruction” in this context are “willful” and “wanton”). The larger context of the workers’ anger is muted, as the press and the politicians of the middle-class flog the view of worker indiscipline.

The dress rehearsal for privatization is in the sphere of “sub-contracting.” It tells us what privatization portends. Fifteen years ago, when “liberalization” (or, reforms of

the IMF variety) came to India, an early victim was the workforce at the Delhi airport. Liberalization had been hard on workers across all sectors. In 1992-93, six million workers lost their jobs in India, while the next year another eight million joined them. Industrial disputes, in this period, fell to about 50% of their 1970 level. The chill among workers was clear, and their hardship increased (inflation in the basket of goods for workers rose by 14%). The most vulnerable sectors of the workforce entered the twilight world of contract labor. I first met Ram Pyari in late 1991. She was a sanitation worker at New Delhi’s Indira Gandhi International Airport. Ram Pyari, like the other sanitation workers and loaders, had only recently come under the sway of a sub-contractor who ran his fiefdom under the radar of the unimpeachable laws of the Indian Republic. Long hours, no overtime, minimal equipment to clean the toilets and vicious supervisors – this was the condition at work. Then, because the contractor bore no responsibility, the workers had to walk

trade unions and the Left are strong. Over the last few years, there have been several nation wide general strikes against the economic “reforms.” On September 29, 2005, about fifty million workers went on strike against liberalization (this was the tenth national strike since 1991). Organized and unorganized workers, peasants and bank employees, state employees and private sector workers – all went out in a combative mood. Importantly, the workers of the Airport Authority of India joined the action against the privatization of the Mumbai and Delhi airports. All the talk of “civil society” by NGO intellectuals means little; their bromide is worthless because their vision of civil society is absent the workers’ organizations. It is the organized working-class that makes Indian society bearable. Otherwise the hierarchies of money and power would be much more brutal than they are. The workers have representation, but they are not represented in the media.

In Krishan Chandar’s short story (*Kalu Bhangi*), the narrator despairingly asks,

In India, unlike Russia in the 1990s, the trade unions and the Left are strong. Over the last few years, there have been several nation wide general strikes against the economic “reforms”.

a long distance to their homes (airports are frequently far from habitations, and because of the clientele who fly there is only sporadic bus service). The state used to provide transport for the workers, but that was before liberalization. What was most shocking, according to Ranjit Singh, a courageous trade unionist and Communist, is that the sub-contractors had begun to force their employees to help operate their smuggling rings. He recounted how the smuggler-contractors would use the trash removal vans to carry out contraband of one kind or another. One afternoon he took me on a reconnaissance mission to see how the contractor’s vans would leave the cargo area without even a perfunctory search. The contractor, Ram Pyari said sadly, lives in a big house, and we live in hovels. We make the world, she says, and yet it is not made for us. If this is the condition of the worker under the regime of the sub-contractor, what will it be like when the state has utterly withdrawn? What will be the condition of the unions under these new conditions? Will they survive?

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“I have often wanted to write about Kalu Bhangi, but what *can* one write about him?” Kalu Bhangi, the representative sanitation worker, who lingers in the shadows of Chandar’s story, is unable to shine in a story named for him. His life is seen as so ordinary that it does not merit a narrative. The reality of workers’ lives is boring; neither does it make good copy, nor does it do more than make the bourgeoisie uncomfortable. Discomfort does not sell newspapers, and nor does it appeal to advertisers who would like the pages to transform the reader into a buyer. Reality has to be occluded in the world of commodities, so it is the inconvenience that needs to be highlighted over the everyday struggle of the working class.

The four-day strike is now over. The 22,000 striking workers have concluded a deal with the government. A commission is to be set up, and the government has pledged to protect the workers’ jobs. The first innings in this struggle is now over, but the match is unfinished. Punters have put their money on Money. Others are hopeful. CP

How Long Will Europe Put Up With a Crazy America?

BY GABRIEL KOLKO

Troops to Afghanistan are a secondary issue to the much more important question of the “ambitious agenda”, as recently outlined by the U.S. ambassador to NATO, Victoria Nuland, a former Cheney aide, in an interview in the January 24 *Financial Times*. The U.S.A. wants a “globally deployable military force” that will operate everywhere – from Africa to the Middle East and beyond. It will include Japan and Australia as well as the NATO nations. To quote Nuland “It’s a totally different animal”, whose ultimate role will be subject to U.S. desires and adventures. NATO must have a “...common collective deployment at strategic distances”.

Nuland’s statements reflect Washington’s realization after its chronic troop shortage in Iraq and elsewhere that Defense Secretary Donald Rumsfeld’s vision of “shocking and awing” enemies has been spectacularly unsuccessful and that the U.S.A. needs foreign manpower more desperately than ever. Its global visions – and illusions – cannot be attained without them. Hence its renewed emphasis on NATO and mobilizing foreign troops. Washington now favors a rapprochement with “old Europe” and the nations it dismissed after September 11, 2001. It wants to build a “strategic consensus” and to expand NATO’s role notwithstanding its resolution after the 1999 war in the former Yugoslavia to never again allow NATO’s consensual voting procedures to constrain American actions – as, indeed, it has not.

Its belief in the sufficiency of “coalitions of the willing” has proven to be a chimera. In this regard, the Bush administration now tacitly admits that its view after 2001 that it could pursue its global role alone was a colossal failure. Hence the fierce pressure from Washington on the Netherlands to send troops to Afghanistan.

The official Munich conference on security policy in early February – which Rumsfeld attended – reflected the American desire to transform NATO so it will again be a useful weapon in its quiver of military choices – particularly its manpower. This is

all the more essential because Rumsfeld’s plans for reforming the entire military will lead to a 20 per cent reduction of maneuver battalions in favor of larger headquarters and more high-tech weapons, and men on the ground will be scarcer than ever. The U.S.A. wants the NATO states to spend more on their military forces, thereby relieving the U.S.A. from increasing its already huge budget deficit.

The Bush administration’s ambitions for NATO are based on more ideological neo-con fantasies, which must not be encouraged. The same American leaders have ignored their own intelligence to pursue ambitions which have traumatized Afghanistan and the Middle East, and today threaten the peace elsewhere. If the schemes for NATO outlined by Nuland gain the support of European states then the U.S. is likely to commit more follies to fulfill its illusions, and hence create further miseries.

American objectives – beyond fighting a war on “terror” – are inherently indefinable as to length and location but certain to be very ambitious. Fear is the glue that creates alliances and keeps them together, and the fear of communism and the U.S.S.R. that led to NATO’s creation has been replaced by the fear of Muslim fundamentalism, terrorism, and the like. But just as the dangers of communism proved illusory, so too will American forebodings of terror prove to be vacuous. The problem is what the U.S.A. will do before its allies grow tired of its paranoid politics. It has already said it wants NATO to send more troops to Kosovo so that it can ship 1,700 American soldiers there to Iraq. The Netherlands has agreed to its demand on sending forces to Afghanistan but all NATO members have to prepare for more troop requests in the future as part of Washington’s goals everywhere. That is the central issue that the NATO members must now confront.

The NATO contingents now in Afghanistan will not succeed where the Americans have already failed after four years in building a state no longer controlled by warlords, drug lords, and various Islamic

fundamentalists. They will be shot at and killed, and the publics of the NATO states will become increasingly anti-war and vote out of office those who have obeyed American demands.

They have already done so in Spain, they may do the same in Italy, and while Washington may win in the short run, ultimately there is a very good chance that its successes will produce a crisis in NATO – and perhaps the end of this artifact of the Cold War.

In a word, we are at the beginning, not the end, of a crisis in the U.S. relations with NATO members. European nations may now articulate a political identity that is both in their national interests and conforms to their values – the very thing that the U.S.A. hoped NATO would prevent from occurring when it created it over a half-century ago. The Bush administration may very well compel them to become more independent. That is to be welcomed. CP

Gabriel Kolko’s new book, The Age of War, will be published in March.

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