

## Labor in Focus by Anthony K. Wikrent

### Productive industry is hardest hit

*The sharp increase in employment at the end of 1990 is the bellwether of the "post-industrial society."*

A detailed analysis by EIR's economics staff of the U.S. government's own unemployment statistics over the past two years, gives the lie to the standard reasons being put forward for the current "recession," phony reasons such as hanky-panky by savings and loan managers.

Our review shows that the fundamental problem, as economist Lyndon LaRouche has long argued, is the shift to a "post-industrial" economy. The loss in manufacturing jobs, and particularly in operatives and in durable goods, has been *accelerating* for the past two years. This has rendered the United States less and less able to produce real physical wealth. This destruction of the nation's industrial capability has become a self-feeding, self-accelerating process.

The latest sharp rise in unemployment serves to underline the fact that this is no "recession" rudely interrupting seven years of Reagan-Bush "recovery," but rather a deepening depression which began with the deliberate "controlled disintegration" policies of Federal Reserve Board chairman Paul Adolph Volcker in 1979.

The figure that grabbed headlines in the first week of January was the 515,000 new applications for state jobless benefits in the week preceding Christmas, up 16.78% from the 441,000 new applications of the week before. This was the greatest number of jobless claims filed since Feb. 19, 1983, when 518,000 jobless claims were filed.

After peaking at 388,000 in the second week of January, new jobless

claims had hovered in the range of 340,000-370,000 every week, until Aug. 18, when 382,000 applications for state unemployment benefits were made. By Sept. 15, the number of new claimants had increased to 403,000, and by Oct. 13, the number had increased to 421,000. The week of Nov. 10, the number reached 488,000. Clearly, the "downturn" is picking up speed.

According to the monthly report for November 1990 circulated by the Department of Labor's Bureau of Labor Statistics, 282,000 people lost their jobs that month, raising total unemployment by 3.99% to 7.355 million. That yields a U-5b total unemployment rate of 5.9% (U-5b is defined as total unemployed as a percent of the civilian labor force, excluding resident military population).

But these total figures mask a far more ominous reality: The most rapid collapse is occurring in what were the most productive sectors of the economy.

In November 1988, there were 19.654 million manufacturing jobs in the United States, 13.460 million of which were held by production workers. There were 11.601 million people employed producing durable goods, of which 7.773 million were production workers.

By November 1989, there were 263,000 fewer manufacturing jobs, a decline of 1.34%. However, the number of production workers had declined even faster, by 1.98%, for a loss of 239,000. The number of jobs in durable goods declined faster yet, being 237,000 less in November

1989, for a rate of change of -2.04%. But the fastest decline took place in the number of production workers in durable goods, where 210,000 jobs were shed, for a decline of 2.70%.

This pattern continued in 1990, with the rate of change almost doubling in all categories. From November 1989 to November 1990, 556,000 manufacturing jobs were lost, a decline of 2.87%. The number of production workers declined even faster, by 3.40%, as 450,000 jobs were lost.

In the same period, the number of jobs in durable goods dropped by 447,000—a decline of 3.93%. The number of production workers turning out durable goods dropped by 336,000, a 4.44% rate of decline. The hardest hit area was motor vehicle production, which suffered a collapse of 9.33%, as 77,700 jobs were lost in the 12 months since November 1989.

Contrary to all the noise being made about the collapse of the real estate markets, and the suffering on Wall Street, the number of jobs in real estate increased from 1.322 million to 1.331 million, while those in finance increased from 3.320 million to 3.334 million, from November 1989 to November 1990.

By comparison, the number of unemployed in precision production, craft, and repair jumped by 35.93%, from 693,000 in November 1989 to 942,000 a year later. The number of unemployed machine operators, assemblers, and inspectors increased by 9.86% in the same period, from 690,000 to 758,000.

This "post-industrial" shift was deliberately caused by the Anglo-American Establishment, which claims such as Paul Volcker and George Bush as their own. There can be no solution to the economic holocaust hitting the United States, until that Establishment is driven from power.