

THE REALLY FEARFUL CRISIS

Labor To Rebuild the World Is Thrown on Global Scrapheap

by Paul Gallagher

Aug. 21—In recent days, the Congressional Black Caucus organized seven large job fairs/town hall meetings in major American cities, drawing an estimated 40,000 unemployed Americans desperate for work. The CBC leaders were hoping, through employer commitments they had scratched together, to match a quarter of these jobless Americans with jobs—of who knows what quality, hours, wages, and benefits or lack thereof. Perhaps several thousand of those “job connections” actually were made.

What the CBC accomplished with great effort, as they well understood, did not create any employment; they merely squeezed out some tiny remaining droplets of demand in a dry, collapsed U.S. labor market. For a few thousands employed thereby, they forestalled homelessness, complete impoverishment, family breakups, or much worse. But the crisis of mass unemployment continued to grow darker around them.

Fueling the intense anger against President Obama expressed by some of these Members of Congress—and among tens of thousands who waited in overnight lines for the job fairs, with 20 hospitalized from heat prostration in Atlanta—the nation’s Narcissist-in-Chief completely ignored the CBC’s desperation “jobs tour” to the long-term unemployed. He opposed it with what he called a “jobs tour” of his own, a rural idyll, chatting with businessmen and farmers in the upper Midwest, posing before haystacks, and riding his big black bus,

and finally telling a group of (undoubtedly puzzled) Iowa farmers, “The answer to the jobs crisis won’t come from Washington; it will come from you.” NerObama then headed for the golf courses of Martha’s Vineyard.

As he did, it was reported by one veteran analyst of the U.S. labor force, that actual unemployment in the United States, open (“official”) and hidden unemployment combined, had reached approximately 27 million Americans, or 18.5% of the U.S. labor force. But the number receiving any unemployment benefit income was down to 6.8 million, falling fast toward 3.5 million by year’s end.

The Real Employment Crisis

Thus far from any *answer* to the global unemployment crisis threatening civilization, has the British Imperial puppet Obama dragged the United States, and helped to push the entire “industrial” world. The truly fearful crisis of today is not that some big European and U.S. banks and markets are again on the verge of imploding—they are, but there is nothing necessarily fearful about that, as President Franklin Roosevelt showed in 1933. What the American or European citizen rightly fears now, is the descent through the stages of part-time employment, unemployment, unemployability, impoverishment, and vagabondage—a civilizational collapse as in the 14th-Century Dark Age, when all the banks collapsed and weak monarchi-



Well-meaning “job fairs” and blab about “job creators” will do nothing to fix the fact that real U.S. unemployment is now approximately 27 million, or 18.5% of the labor force. Shown: laid off workers, in New Bedford, Conn., September 2010.

cal governments could do nothing about it.

Driving this worst of all crises, is the shutdown for a generation—across the trans-Atlantic world—of investment in new infrastructure platforms envisaged since the 1960s: transcontinental rail corridor projects; the Bering Strait Tunnel and other land-bridge crossings; the great electrification projects, nuclear power, hydropower; desalination projects; the regional and continental flood-control and water management schemes; the grand terraforming projects like the North American Water and Power Alliance (NAWAPA); and the exploration and colonization of space—all have been abandoned by deluded governments.

According to the International Labor Organization (ILO), global employment in government economic infrastructure projects in 1970 encompassed roughly 3% of worldwide employment; in 2010, it accounted for approximately 0.5%. Thus 60 million of the most skilled and productive jobs disappeared, along with the productivity driver making possible hundreds of millions more.

In the global financial crisis and collapse since 2007, global unemployment is estimated to have increased from 140 million to about 205 million. And 55% of that increase—38 million more unemployed—has been in the trans-Atlantic “industrial countries” of North

America and Europe, although they account for only 15% of the world’s population. The most skilled and productive workforces are being decimated.

Employment/Population: A Collapsing Ratio

But because of the limits on who is counted among these roughly 205 million “official” unemployed worldwide, this does not begin to express the truly mass unemployment among young people 16-25 years of age in the trans-Atlantic countries. “Official” unemployment among this youngest portion of the work force is 14% in the United States (16% among veterans of the Iraq and Afghanistan wars); over 20% in France and the U.K.; 40% in Spain; 36% in Ireland.

There were claimed to be 80 million of that age group unemployed in late 2010 (an “official” rate of 12.6%). But large and growing numbers of young people entering that age group in the past decade have never made it to “official unemployment”—they have not entered their nations’ workforces at all, because mass unemployment (and workers in their 60s trying to hold on to their jobs for dear life) have left them no prospects.

It is they who most need the hope for a greater human future embodied in such new infrastructure platforms as NAWAPA, the continental high-speed land-bridges, new international space programs to protect the human species on Earth and take it to Mars.

A look at the most recent data collected by that same International Labor Organization—which goes up through the 2011 second quarter for some countries, the first quarter for many others—shows a steadily deteriorating employment situation in the trans-Atlantic world, contrary to the propaganda of those deluded governments and of the media. The fact: The employment/population ratio in most of the trans-Atlantic economies is lower—worse—in mid-2011 than it was in mid-2009, which was supposed to be the nadir of the depression collapse/financial panic misnamed the “Great Recession.”

The employment/population ratio is a very telling economic indicator, because it reflects not only “official unemployment” (a proportion of the active workforce), but also the abandonment of the workforce by

larger and larger numbers of discouraged, unemployed human beings, potential workers and producers, who have given up looking for work in the persistent way required to be counted as “officially unemployed.” And it reflects the augmentation of the potential working population by young people, even if mass unemployment has kept them from entering the workforce.

In the United States, this portion of the eligible population at work was 59.7% in mid-2009, having suddenly plunged 3% in one year. In mid-2011, after two-and-a-half years of the Obama disaster, it is 57.9%, down nearly two more percent. The overall 5% drop, within a work-eligible population of 228 million, represents *newly lost employment of over 11 million, and growing*. Among Americans aged 16-25, the ratio was 46.9% in mid-2009, having dropped more than 4% in one year; now, it is 45.6%. The overall nearly 6% drop represents newly lost employment of 2.4 million young people, and getting worse.

As for Europe, in France, Germany, and the U.K., this continuing decline of employment is real and steady, but small; elsewhere, it is like that in the United States, or more serious. In Spain, the ratio of employment to population fell 4% in the shock collapse of 2008-09, and has fallen another 2% by mid-2011. In Portugal and Greece, under the impact of recent bank bailouts and austerity regimes, the drop since 2009 has been two-to-four times over what it was in the 2008-09 panic. In Denmark, the employment ratio dropped by about 2% during the panic year, but by another 3% since. In Ireland, again imperial London’s victim, the ratio dropped a full 5.5% from 2008-09, but has fallen by another 3% to mid-2011.

The prospect for the youngest, 16-25, cohort is much darker. In France, for example, that employment/population ratio was 31.9% in mid-2008, had dropped to 31.2% by mid-2009, but now is 28.9%; overall, half a million more young adults without work. For Den-



flickr/Christopher Dilts for Obama for America

As Obama grandstands around the country in his Big Black Bus, for photo-ops in front of haystacks, millions of U.S. jobs have disappeared; meanwhile, some 8-9 million Americans have given up the job hunt, and “dropped out” of the labor force. He is shown here in Pesota, Iowa, Aug. 16, 2011.

mark’s youth, the employment ratio dropped almost 3.5% from 2008-09, but has fallen by nearly another 7% since; in Norway, the employment ratio for youth has dropped 8% overall since mid-2008; in Italy, by 5%; in the U.K., by 6%; in the Netherlands, by 7.5%.

These are huge holes gouged in the prospects of youth for a future, but in other nations it is still much worse. Hungary’s employment ratio for young people is only 17.8%, typical of a number of Eastern European countries. Ireland’s is only 27.9%, having plunged 10% in 2008-09, and another 7.5% by mid-2011. Italy’s is only 19.5%, down 5%. For young Greeks, the ratio is only 17.7%, more than 6% lower than the “nadir” of mid-2009.

President Proud To Lay Off Workers

In the United States it is not the manufactured “Federal deficit crisis,” but the resumed rise of the “official” unemployment rate for the past two months, combined with other economic contraction signs across the trans-Atlantic countries, which have caused markets to plunge—and Obama to run for cover. Every single economist outside of Lyndon LaRouche’s movement was caught flat-footed, stupidly forecasting significant job creation for June and July—in the middle of a global depression.

This caused the final discrediting of the Department of Labor's fakery, whereby "job creation" of 50-70,000 new jobs every month is imputed to supposed small-business start-ups that they quietly "revised" out of the figures the following year. A survey during June of more than 1,000 small and mid-sized businesses, taken by U.S. Bankcorp, showed that they were not hiring, period, and 80% of them had no plans to hire.

The pace of elimination of government employees across the country has accelerated to 30-40,000/month. Since his first "hiring and wage freeze" more than a year ago, NerObama has been proud of this; he speaks only about "private-sector job creation"—which the Labor Department has been faking in its reports!

But at the comparable point in the Great Depression, FDR was *hiring millions of government workers to produce and create*. This included the creation of a new scale and quality of electricity-generation and water-management infrastructure which changed the face of the economy, made possible the World War II mobilization and development of nuclear power, and employed hundreds of thousands of young people, only beginning with the Civilian Conservation Corps (CCC).

In reality, Obama's collapse today is a lot worse than

these "headline" figures; it is the disappearance of millions from the labor force into mass unemployment. According to the Labor Department's monthly "Household Survey," the U.S. labor force—which also includes people who don't have work but are at least actively looking for it—is shrinking by several hundred thousand a month; it has shrunk by more than 5 million since 2007. Because the labor force should be growing naturally with increasing population, the number of workers who have given up and "dropped out" must be still larger—some 8-9 million.

The total number of such "hidden unemployed" has today come to equal the "official unemployed," an unprecedented situation, according to economist Leo Hindery, an expert on the U.S. labor force. So real unemployment in America, in total, is 27 million, with another 9 million forced to work part-time. And the average length of unemployment has now gone over 40 weeks—almost 10 months—for those who are still in the labor force and actively seeking work; it is a full year when those who have given up are counted. There are 13 million Americans who've been out of work for more than a year; and 5 million young working people under 25 who have not yet found their first job.

Lyndon LaRouche On Glass-Steagall and NAWAPA

The North American
Water and Power Alliance

"The greatest project that mankind has ever undertaken on this planet, as an economic project, now stands before us, as the opportunity which can be set into motion by the United States now launching the NAWAPA project, with the preliminary step of reorganizing the banking system through Glass-Steagall, and then moving on from there."

"Put Glass-Steagall through now, and I know how to deliver a victory to you."

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