

**THE U.S. ECONOMY IS BEING HAMSTRUNG BY LAWMAKERS**

The Acting Secretary of Labour for the Government of the United States has gone on record, criticising what he terms '*arbitrary budget cuts*' that are preventing the US economy from enjoying much-needed faster economic growth.

Dr Seth D. Harris, in his comments in respect of the April employment statistics in the US, said, among other things:

*'This morning's report (Thursday, May 2, 2013) shows that the economy added 165,000 total nonfarm jobs in April, and the unemployment rate dipped to 7.5 percent, a four-year low. That means 6.8 million new jobs over 38 consecutive months of private-sector job growth following the Great Recession. The revisions to February and March that show additional employment gains of 114,000 jobs are further indication that — to this point — 2013 has shown a fuller, more accelerated jobs recovery than we have yet seen.'*

*'The unemployment rate has declined by 0.4 percentage point since January. In April, the number of long-term unemployed (those jobless for 27 weeks or more) declined by 258,000. Significant gains this month in professional and business services, health care and retail employment are indications that many of the jobs being added are providing good, middle-class opportunities for the unemployed. The bottom line is that people are finding work: There are 1.65 million more people working today than 12 months ago.'*

*'But let us not mistake a report that exceeds our expectations with unequivocal economic success. The difference between a moderate jobs report and an excellent report is the sequester. These misguided, arbitrary budget cuts are putting the brakes on an economy that is gaining momentum in the private sector — just when we need to hit the gas. Because of the sequester, we are not creating the abundance of new jobs that will put everyone who wants to work back on the job and end the cruel game of economic musical chairs that leaves so many hard-working people out of work when the music stops. We need a balanced approach that makes investments in job-creating activities while pursuing a long-term deficit reduction strategy.'*

*'President Obama has proposed several measures that will jump-start the economy and catalyze job growth. He continues to push for infrastructure investments that will breathe new life into the construction industry, in particular. In addition to physical infrastructure, we need to modernize our skills infrastructure, providing the training and investments in human capital that will prepare people for good jobs and give them ladders of opportunity.'*

It could be held by critics of the Obama Administration that Dr Harris is hoping to land a better job in the White House and that that was the main reason behind his remarks, but regardless of his motives in roundly criticising US lawmakers, employing not-so-veiled innuendo, he seems to be making a point that can hardly be denied.

(By the way, it was President Barack Hussein Obama, himself, who nominated Dr Harris for the job of the 11<sup>th</sup> [United States Deputy Secretary of Labor](#) and Acting [Secretary of Labor](#); and, the US Senate

unanimously confirmed his position in May 2009.)

In contrast to the statements of Dr Harris, the Commissioner of Labour, Dr Erica L. Groshen, announced, blandly, on

*'Nonfarm payroll employment rose by 165,000 in April, and the unemployment rate was little changed at 7.5*

*'Employment in construction changed little (-6,000) in April. Job gains in this industry averaged 27,000 per month from October through March. Manufacturing employment was unchanged in April. Employment in other major industries showed little change over the month...*

*'Turning now to our survey of households, the unemployment rate, at 7.5 percent, changed little in April. Si*

According to statistics, compiled by The Bureau of Labour Statistics, in the month of March, export prices decreased

The following is lifted from this report:

*'Exports All Exports: Export prices decreased 0.4 percent in March after rising 0.7 percent in February and 0.4 percent in January. Lower prices for agricultural and nonagricultural exports each contributed to the March downturn in overall export prices. Led by higher agricultural prices, prices for exports increased 0.3 percent for the March 2012-13 period, the smallest year-over-year advance since September 2012.*

*'Agricultural Exports: Prices for agricultural exports fell 1.8 percent in March after advancing 2.1 percent in February. The decline in March was driven by a 7.1 percent decrease in fruit prices and a 5.1 percent drop in wheat prices. Notwithstanding the March decline, agricultural prices rose 8.8 percent over the past year, led by higher prices for soybeans, nuts, corn, vegetables, and wheat.*

*'All Exports Excluding Agriculture: The price index for nonagricultural exports fell 0.2 percent in March after increasing 0.6 percent and 0.5 percent the previous two months. In March, falling nonagricultural industrial supplies and materials prices and consumer goods prices led the overall decline. Overall nonagricultural prices decreased 0.7 percent for the year ended in March...*

*'Export Prices Nonagricultural Industrial Supplies and Materials: Nonagricultural industrial supplies and materials prices fell 0.5 percent after a 1.3 percent increase in February. The March decline was driven by a downturn in fuel oil prices which fell 5.0 percent after rising 6.0 percent the previous month. A 2.6 percent drop in nonferrous metal prices also contributed to the decline.*

*'Finished Goods: Consumer goods prices fell 0.2 percent in March following a 0.3 percent decline the previous month. Prices for consumer goods fell 0.9 percent over the past year, the largest 12-month decline since the index was first published in September 1983. The price indexes for capital goods and automotive vehicles were each unchanged in March after rising 0.4 percent and 0.3 percent, respectively, the previous month.*

*'Transportation Services: Export air passenger fares increased 0.5 percent in March following an 8.2 percent decline in February. Higher Latin American/Caribbean fares and European fares more than offset declining Asian fares. Export air passenger fares edged down 0.1 percent for the year ended in March. Export air freight prices rose 0.3 percent in March and over the past 12 months...'*

The statistics, compiled by The Bureau of Labour Statistics, helps to heap more fuel onto the smoldering embers of the fire that Dr Harris, obviously, hopes to fan back into life, it seems to this medium.

However, one has to bear in mind, always, that statistics can prove, or disprove, just about anything, recalling the logical fallacy:

*‘Numbers Prove’*

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