

America Is Losing Its Economy

By [Dr. Paul Craig Roberts](#)

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Region: [USA](#)

Theme: [Economy](#), [Poverty & Social Inequality](#)

From **John Williams** proprietary report:

“Subject to Likely Downside Annual Benchmark Revisions this Coming Friday, February Industrial Production Jumped by 1.1% (0.9% Net of Revisions), Reflecting improbable Strength in Manufacturing and Mining.

“Despite this perhaps premature report of industrial production gains, Given a Record 122 Months of Non-Expansion, Manufacturing Still Holds Shy of Its Pre-Recession Peak by 3.7% (-3.7%). [That peak was a decade ago!]

“Manufacturing Gains Likely Reflected Some Inventory Rebuilding Against Weakening Sales, As Disaster-Recovery Bloat Passes from the System.

“Continuing in Nonsensical Monthly Booms and Busts, February Housing Starts Activity Fell by 7.0% (-7.0%), Still Shy by 45.6% (-45.6%) of Recovering Its Pre-Recession Peak.

“First-Quarter 2018 GDP Outlook Continued to Weaken.

“Nonetheless, the FOMC Appears Set for a Rate Hike on Wednesday.”

“Underlying Economic Reality/Conditions: Discussed frequently here, what has happened with underlying economic reality is that broad activity had continued to stagnate and to falter anew, before the multiple natural disasters began to hit in late-August 2017, with Hurricane Harvey. The ensuing natural-disaster recovery boosted fourth-quarter economic activity, in areas ranging from retail sales and industrial production to construction spending and housing starts. That background largely was ignored by the hyper-bulls in the financial markets, who touted the rapidly expanding economy. That concept also received massive popular coverage in the headline media.

“Consumer Confidence and Sentiment are booming at multi-year highs, as discussed in the Consumer Liquidity Watch (page 37). The details reflect little more than the tone of the popular press, given how those measures of relative consumer optimism are surveyed. Such was established decades ago by the late Albert Sindlinger, an original consumer pollster, and Dr. David Fan of the University of Minnesota. Restricted consumer liquidity circumstances continue to impair and to constrain broad economic activity.”

John Williams of shadowstats.com has a long-term tradition of trying to hold US government data reporting agencies and financial prestiutes accountable, but as in every aspect of US reporting fantasies prevail over reality.

For example, according to the Federal Reserve and the prostitute financial press, US inflation is less than 2 percent. Here is the Chapwood index, based on actually going out and purchasing items in the inflation basket: [see this](#).

As for the great consumer economy we hear about, here are the IRS statistics of the distribution of wage earners by level of net compensation: [see this](#).

50 percent of wage earners had net compensation less than \$30,534 in 2016. The rich are a tiny percent of the population and cannot sustain a consumer economy.

I remember reading many decades ago that in Texas a person was not considered rich unless they were worth at least \$50 million dollars. Today you can't be on the Forbes 400 unless you are a multi-billionaire. In such a system, ordinary people have no voice or influence. One billionaire can purchase most of the government. The billions of dollars that the US taxpayers give to Israel each and every year purchases the rest of the government. The military/security complex, the energy, mining, and timber industries, the pharmaceuticals, agri-business, Wall Street, the big banks and all the rest make American democracy a hoax.

As for the full employment claimed by US government reporting agencies, how does full employment coexist with this reported fact from the [Dallas Morning News](#).

Toyota Motor Company advertised the availability of 1,000 new jobs associated with moving its North American headquarters from southern California to Texas and received 100,000 applications. Where did these applications come from when the US has "full employment?"

Clearly, the US does not have full employment. The US has an extremely low rate of labor force participation, because there are no jobs to be had, and discouraged workers who cannot find jobs are not measured in the unemployment rate. Not measuring the unemployed is the basis of the low reported unemployment rate. The official US unemployment rate is just a hoax like Saddam Hussein's "weapons of mass destruction," Assad's "use of chemical weapons," Russia's "invasion of Ukraine," "Iranian nukes," and "Russiagate." The list of hoaxes created by the US government and its prostitute media are endless. And the dumbshit Americans sit in front of CNN, MSNBC, NPR and the rest and absorb the indoctrination to their own peril and insignificance.

Americans live in a fantasy world about their Great Country, their Great Economy, their Great Military System that ensures them Hegemony Over the World even though after 17 years the World's Greatest Military has been unable to defeat a few thousand lightly armed Taliban in Afghanistan, their Great Everything. But in fact, insouciant Americans live in The Matrix. They have no idea of their real situation.

If Trump names **John Bolton** National Security Adviser, plan to die.

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Dr. Paul Craig Roberts is a frequent contributor to *Global Research*.

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