

Not the 'Jump-Start' Detroit Was Looking For

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POITOU, FRANCE – A new *Diary* dictum:

A new administration can only do good by undoing the good things that previous administrations claimed to do.

That is, it does not do good by adding programs of its own. It can only make things better by eliminating the jackass schemes already in place.

That is a major problem for a new president.

Because the people in charge of a government are those who put the programs in place and who still benefit from them (the Deep State).

They do not give them up readily.

Jump-Start America

So it came to pass that, in the year of our Lord 2016, Donald J. Trump looked around and saw the lives of the Americans become bitter and hard.

Fewer had “breadwinner” jobs than in the last century. They were unable to buy the things they wanted, since prices had gone up faster than their real incomes.

Meanwhile, the few, the rich, and the powerful mocked them as “deplorables” and “low-information voters” who lived in “America”... hung the U.S. flag from their porches... didn't drink lattes or do Pilates... couldn't recognize a French wine by the shape of the bottle... and were neither gay, nor bi-curious, nor gluten-free.

“The Donald” spoke for these downtrodden masses, America's lumpenproletariat. And he promised to set things right.

He would take us back to the land of milk and honey... to the way things used to be. We would dig up coal again. We would open up the factories of Youngstown, Gary, and Toledo again.

Pump monkeys would jump up from their seats and fill our tanks and wash our windshields again. We would be proud again.

At the Detroit Economic Club, in the summer of 2016, candidate Trump railed against the “weakest so-called recovery since the Great Depression.” And then... using a metaphor that would appeal to the Motor City... added, “I want to jump-start America.”

Later, in Chicago, he promised to be the “greatest president for jobs that God ever created.”

“We're going to have job growth like you've never seen,” he foretold.

This was enough to push him over the top in Michigan, Ohio, and Pennsylvania... which put him over the top in America.

And now, with school bells ringing and the sun already past its zenith for the year 2017, it's time to ask his supporters: How will these promises that work out for you?

Degenerate Empire

Whoa, Dear Reader... You're probably thinking: "There he goes again... criticizing the president."

But this is no criticism of Mr. Trump. He has done just what we thought he would do, just what almost any president in his position would have done.

We may wish for a hero who takes on "the system" and turns things around; but that's not the way a late, degenerate empire run by an entrenched Deep State elite works. The president is not in charge; he cannot be held responsible. He is just a walk-on, walk-off player in a much bigger drama.

Mr. Trump tells us that his administration has "added a million new jobs." That figure comes from the Labor Department, which is responsible for fudging these numbers. It is the tally of how much non-farm payrolls grew in the first six months of the year.

But before we look at how that figure compares to previous job-creation statistics, let us return to our dictum and look more closely.

When a president says he has "created jobs," he is merely grandstanding. Presidents don't create jobs. Neither do their administrations.

Congress can pass laws, claiming job creation. But all it can do is take money away from some people and give it to other people. It is mostly creating fake "jobs" that wouldn't exist in a win-win world.

Without markets to discover prices, competition to eliminate underperformers, and profits (or losses) to keep score, there is no way to know whether a job is worth doing or not. That's why most government-created jobs end up being zombie jobs.

They take money and resources away from the real economy, reducing the number of real jobs.

Therefore, the only way a new White House team can boost the number of real jobs is to cut the phony-baloney programs put in place by the old teams – especially those that directly hinder startups and small business growth, where new industries take shape and new hiring takes place.

Jobs Fail

That is what Mr. Trump seemed to promise in 2016 – to get the feds, cronies, and zombies off our backs, with fewer regulations, less wasteful spending, lower taxes, reduced borrowing, and less claptrap.

So... what's happened so far?

Maybe we've missed something, but we know of not a single significant step in this direction.

Nothing the Deep State cares about – money and power – has been put at risk. As far as we can tell, too, the jump-start has misfired.

The economy continues to turn over grudgingly, with no increase in output. To the contrary, key industries – housing, auto, and restaurant – all report declining activity.

Consumers seem to be running short of money, which is just what you'd expect at the end of an expansion cycle (however weak).

And how about job growth?

Turns out, the rate of new job creation has gone down, not up. Reports *The Fiscal Times*:

Not only does the six-month increase in employment fail to qualify as a “jump-start,” it represents a slower pace of job creation than occurred during the six months before Trump took office.

Monthly expansion of total U.S. employment has been about 2% lower since last January than it was during the previous six-month period, and 9% lower than 2016 as a whole.

And poor Michigan. During the final six months of the Obama administration, the state was adding 7,850 jobs a month. Under Team Trump, job growth has collapsed to 2,550 jobs a month – a nearly 70% drop.

Pennsylvania saw a drop-off in jobs, too, but not so catastrophic. It was adding 6,000 jobs each month during the last semester of 2016. That number dropped by one-third during the first semester of Trump’s rule.

Again, this is not a criticism of the former reality TV star. It would have been a miracle if he had understood what was going on, let alone been able to nudge it in his chosen direction, whatever that was.

The real story is much bigger... more alarming... and more interesting. In this story, there are plenty of villains, but few real heroes.

More to come...

Regards,

Bill