

# Why Skepticism of the Unemployment Number Wasn't Unfounded

☒ Last week, when it was reported that the national unemployment rate unexpectedly dropped from 8.1% to 7.8% with a notable uptick in hiring, many people simply couldn't believe it. Economists across the board were completely blindsided. None of them had predicted any significant change to the number – certainly nothing along the lines of a .3% decrease. There had been no surge in economic growth, and a mere month earlier, a drop in the workforce participation number was so staggering that journalist George Will categorized it as “depression-level.”

It didn't take long for some big names in the business world to deduct that the new unemployment number was too good to be true.

Former General Electric CEO, Jack Welch tweeted to the world, “Unbelievable job numbers..these Chicago guys will do anything..can't debate so change numbers.” The connotation was clear. Welch believed that the numbers were artificially adjusted to help the Obama administration's re-election bid. He later, in a column for the *Wall Street Journal*, tapped down his implication that the books were cooked. However, he doubled-down on his assertion that the numbers were inaccurate.

CNBC's Rick Santelli expressed similar initial skepticism in the number. He predicted a month earlier that the unemployment rate would miraculously drop right before the presidential election. When it happened, he said on national television, “I told you *they'd* get it under 8% – *they* did!”

Santelli wasn't the only one who anticipated such an outcome.

Conservative talk-show hosts Rush Limbaugh and Glenn Beck have been predicting for months that such favorable news for the Obama administration would be unleashed as an *October Surprise*, right before the election, targeting undecided voters.

Many from the Democratic side of the aisle blasted the skeptics for their inclination to search for a conspiracy theory to explain the drop. And why wouldn't the Dems cry foul? It was an outrageous accusation, after all – not a trivial and inconsequential claim like suggesting for eight years that a Republican president didn't actually win the 2000 election. Seriously though, the Democrats had some ground to stand on this time because the numbers are largely explainable, even if they were in no way worthy of the praise that President Obama lavished on himself when announcing the news to cheering supporters.

Mitt Romney reacted in the right way by categorizing the unemployment report as a statistical anomaly that doesn't accurately represent the jobs situation in the country. After all, that's the truth. Much of the past year's drops to the unemployment rate haven't come from a significant rise in hiring, but rather from a large number of people dropping out of the workforce or settling for part-time work because they can't find full-time work. This month's report was little different. And let's face it: Even if we had a healthy workforce participation rate that didn't project the *real* unemployment rate at somewhere around 12%, a 7.8% unemployment rate would still be absolutely dismal. A far cry for sure from the 5.6% rate President Obama told us in 2009 that we'd be the beneficiaries of right now, under his leadership.

Still, it's hard to dismiss the reactions of people like Welch and Santelli as easily as the Democrats did. Though they probably share conservative views of the economy, they are not inherently partisan people. They aren't political hacks who are placed in front of the cameras to bash one political party

while championing the other. They're well-respected businessmen who have a deep understanding of how the economy works.

Why, then, did they feel compelled to put their reputations on the line to insinuate that President Obama's team had cooked the numbers? The answer is simple. It's because the administration has given people ample reason to suspect that they're absolutely capable of it.

Don't believe me? Let's just look at a couple of recent examples...

A few weeks ago, the Obama administration sent a memo to the Department of Labor telling defense contractors not to obey the WARN Act. The Worker Adjustment and Retraining Notice Act requires employers to give their workers a minimum of 60 days notice prior to potential mass layoffs. Mass layoffs are expected to ensue due to automatic defense cuts scheduled to begin on January 2nd under the sequestration provision of the Budget Control Act.

You see, perhaps the biggest albatross for President Obama has been the chronically high unemployment rate throughout his presidency. It has taken a huge toll on his re-election hopes, despite his proclamations that things are getting better. If it were confirmed just a few days before the presidential election (and that's exactly when the pink slips would have to be sent out) that massive job layoffs were indeed going through, that would tarnish Obama with hugely negative publicity. Thus, the administration doesn't want that news to attract any attention.

Not only did the administration direct contractors not to follow the law, but they pledged that the U.S. government would pay for any legal fees that would incur from fired employers suing the contractors for not following the law. In other words, tax payers would be on the hook for Obama's

decision to break the law in order to help himself politically.

So, here we have a concrete example of the president ordering a law be broken in order to produce a false perception of the U.S. jobs picture (and paid for by us), purely to help his re-election campaign. If he's willing to do this, why *wouldn't* Americans be skeptical that he's capable of using any other methods at his disposal to do the exact same thing?

Let's look at all the deceit that's come from the administration regarding the murderous attack on our U.S. consulate in Libya. For weeks, the incident was blamed on a protesting mob that got out of control. The problem is that we now know that the mob never existed. We were told that the fictitious mob's anger was fueled by an anti-Islam video made in America. The problem is that we now know the video had absolutely nothing to do with the attack. No one had either seen nor heard of it beforehand.

Secretary of State, Hillary Clinton actually stood next to the coffin of murdered ambassador, Chris Stevens, and partially blamed that video for his death. President Obama himself addressed the U.N. General Assembly, two weeks after the incident, condemning the video. Susan Rice did the same thing on five morning talk shows. The creator of the video was even hauled off to jail in front of news cameras by U.S. law enforcement officers for a supposedly unrelated charge. Yet, as the timeline clearly shows, the administration knew all along that the video played no role whatsoever in the attack. It was a coordinated terrorist attack, purposely committed on the anniversary of 9/11, and the highest-ranking members of the administration lied about it.

President Obama has been in the unusual position of being a Democratic president who is enjoying strong public approval on his handling of foreign policy. This is primarily due to the successful Bin Laden raid. The death of ambassador Stevens and

three other Americans in Libya, however, was bound to change that narrative very close to the election. Instead of the media immediately questioning the breathtaking lack of security provided to our men in Libya, they were thrown a sparkling object in this anti-Muslim video. The distraction effectively deflected accountability away from the failings of the U.S. government for weeks.

It hurts one's head to think about how the scapegoat idea must have gone down behind the scenes. Someone working for our government had to specifically seek out a completely unrelated entity to assign a fabricated motive to, in order to pull the charade off. A month has gone by since the attack, and the only answer we have as to *who did it?* has come in the form of a collective shoulder-shrug by numerous U.S. officials. Considering the administration has a well-documented history of deflecting anger onto third parties whenever they come under heavy scrutiny, there's definitely some likely suspects. Regardless, the American public has been lied to when it comes to what went down in Libya.

What kind of conclusions are Americans expected to draw when it comes to things like this? You see, this isn't about conspiracy theories, but rather reactive mistrust earned by the Obama administration. Their first instincts, when things for them go south, are always to distract the public from the realities of the situation.

As a rule of thumb, it's always healthy for the public to be suspicious of government. However, the government shouldn't be a constant source of reflexive dishonesty. So when our leaders insist on being precisely that, especially around election time, they shouldn't be surprised when level-headed, reputable people throw their hands up in the air in disbelief.