

# Unemployment Decline An Illusion, Financial System Collapse Ahead

---

*December 7, 2009*

On Friday it was announced by the Bureau of Labor Statistics that the U.S. unemployment rate in November declined from 10.2% to 10%. While the mainstream media would like you to believe we have seen a peak in unemployment and the worst of the economic crisis is behind us, we know that this dip in the unemployment number is phony and the recession is only beginning.

Although the unemployment number dipped in November, we still lost 11,000 nonfarm jobs. Unemployment fell by 0.2% only because the civilian labor force shrunk in November by 98,000 people. This means more people are becoming discouraged and giving up looking for jobs. When you combine both short and long-term discouraged workers who aren't included in the labor force along with those who are underemployed with part-time jobs, real unemployment in the U.S. today is nearly 22%.

The most important area of employment to look at is manufacturing jobs. Increasing manufacturing is the only way for our country to truly recover and build real wealth, because it will allow us to cut down on inflation by exporting real products instead of the money we print. Unfortunately, the U.S. lost 41,000 manufacturing jobs in November and has lost 2.1 million manufacturing jobs over the last two years.

The main areas of increasing employment in November were health care and government jobs, which are non-productive jobs that are increasing global imbalances. These jobs are not being created due to a strengthening economy, they are being created due to our artificial, temporary and destructive stimulus. They are forcing our country to get deeper into debt and create massive inflation.

Those who receive a paycheck for a non-productive health care or government job, compete against all Americans for the purchasing of consumer goods, without an increase in the supply of goods. This means after excess inventories of goods are done being worked off, prices of all the goods we consume will increase at an astronomical rate that is unimaginable to most Americans today.

Many Americans with jobs are not concerned about inflation because they believe if the prices of goods go up, so will their wages and everything will balance out. They don't understand our standard of living in America has already been declining for over a decade. Sure, we have plasma TV's, cell phones and the Internet today, but our lives are becoming harder to live and it is becoming more difficult for the middle class to survive.

Twenty years ago, a father with an average job was able to support an entire family of four or five on one income. Today, both parents need to work, and they are still unable to support their family without getting deeply into debt with credit cards, mortgages, auto loans, and college loans. Less families today have health insurance. Wages have not kept pace with inflation, all we have seen is an increase in debt to meet some of the demand from inflation.

With the babyboomers beginning to retire, the decline in our standard of living is about to dreadfully accelerate. The average American peaks in spending at around 46 years old and the last babyboomer will turn 46 in 2010. Therefore, a major drop-off in consumer spending is coming. But more importantly, beginning this next decade, 1.5 to 2 million Americans will apply for Social Security every year until 2026, compared to only 500,000 per year during the last decade. Tax receipts are about to fall off a cliff, at the same time as government entitlement spending for Social Security, Medicare, and Medicaid go through the roof.

Many people have been asking us on NIAnswers, if we see massive inflation and gold prices go through the roof like we predict, wouldn't that be good for the U.S. because we have the largest gold reserves at 8,133.5 tonnes? Well, at the current gold price, our gold reserves are worth approximately \$300 billion. Our budget deficit this year alone was \$1.6 trillion. If we had to pay back our \$12 trillion national debt using only the gold in our vaults, it would require a \$45,889.44 per ounce gold price. But once you factor in our \$55 to \$100 trillion in unfunded liabilities for Social Security, Medicare, and Medicaid, our gold reserves will not put a dent in saving our country from the financial system collapse that lies ahead.