

Squeeze Play

The latest unemployment figures from the U.S. Department of Labor confirm what working people have known for months; the economy is going down as fast as gas prices are going up. Unemployment in the critical manufacturing sector jumped by another 33,000 in June, bringing total job losses for the first half of the year to 438,000, the highest level since 2002.

Analysts and observers continued to be stunned by the pace of losses, including the highest one-month jump in the unemployment rate in 22 years, from 5.0 percent to 5.5 percent in May. Many are now predicting unemployment could reach 6.0 percent before the end of the year.

The outgoing Bush administration has had little to say about the crisis, beyond claiming its \$154 billion program of rebates and tax incentives will create 500,000 new jobs in the second half of 2008. Few share that view, pointing to rising gas and food prices and falling home values as having a far greater impact than one-time rebate checks.

Gas prices alone, which have nearly doubled in the past 18 months, are stretching many family budgets beyond the breaking point. The rate of mortgage foreclosures and repossessions are reaching equally historic levels, making the economy the number one issue in the upcoming elections.

Despite the urgency, neither presidential candidate has risen to the occasion with a plan that includes a comprehensive industrial policy that protects sectors like transportation and manufacturing, while creating new industries, new technologies and new employment opportunities that will not be held hostage to the price of oil.

Until the candidates in both political parties acknowledge that government has largely abandoned its proper role in regulating markets and industries that are now spinning wildly out of control, we can expect to continue reaping the consequences of the so-called free market at work.

Have you heard?

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