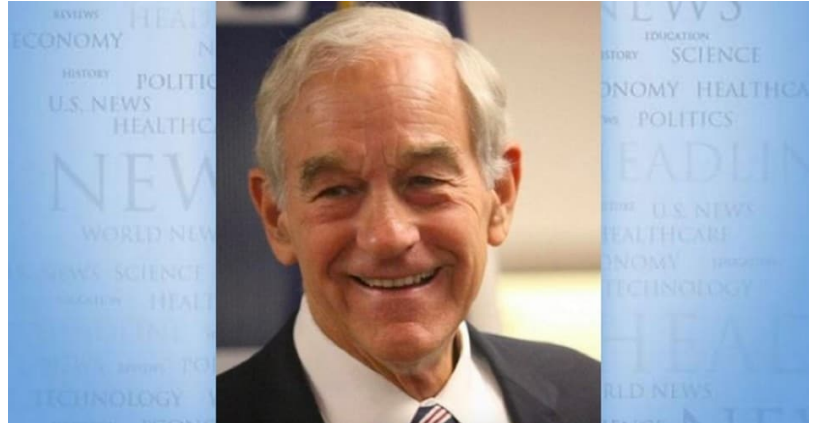




Newsflash: Governments Lie

Bureau of Labor Statistics head Dr. Erika McEntarfer is one of the latest persons President Trump has told “you’re fired.” President Trump said this month that he fired Dr. McEntarfer because the president believed she manipulated jobs data. Manipulations, he stated, include the updated May and June BLS numbers showing the U.S. economy created 258,000 fewer jobs than originally reported, as well as the weaker than expected July jobs report. All of this, the president suggested, was designed to make President Trump look bad.



Ron Paul
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Following Dr. McEntarfer’s firing, many commenters worried that President Trump’s actions would create the perception that government unemployment and inflation data is manipulated to produce the numbers desired by the president. A loss of confidence in government statistics could impact demand for US Treasuries. This is because the value of Treasuries is adjusted based on the BLS-issued Consumer Price Index (CPI). If investors don’t trust the CPI figures, they can demand higher returns, increasing government’s interest payments.

President Trump is correct that BLS manipulates statistics related to the economy, but it has been doing so since long before Donald Trump moved to the White House.

For example, starting in 1994, the BLS stopped including “discouraged” workers who have stopped looking for work in the official unemployment figures. The BLS also includes those working part-time as employed even if the only reason they are working part-time is they cannot find full-time work. According to John Williams, publisher of the website Shadow Stats, including discouraged and part-time workers who want full-time work in the unemployment figures increases the unemployment rate by almost 20 percent!

The government also understates the effects of inflation. One way it does this is by using “chained CPI.” Chained CPI means that even if price inflation has made steak unaffordable for most Americans, the government does not consider their standard of living lowered if they can buy a “substitute” such as hamburger.

This ignores the fact that if consumers viewed hamburger and steak as equivalent then they would likely have chosen cheaper hamburger before Federal Reserve-caused price inflation made steak unaffordable, leaving them no choice but to purchase hamburger. According to John Williams’s Shadow Stats, using a more accurate definition of inflation would increase the inflation rate to as much as 12 percent.

Manipulating the unemployment and inflation rates allows the government to gaslight the people into believing that the economy is strong and any signs of weakness — such as rising prices or an increase in unemployment in their town — are anomalies that do not reflect the economy’s real condition. Manipulating the inflation figures to understate the true amount of inflation also lowers the “cost of



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living” increases the government must provide for veterans, beneficiaries of Social Security, and others. This provides a way for government to cut spending without Congress members having politically difficult votes.

President Trump has done a service by highlighting that government statistics regarding the economy are manipulated. Many of those criticizing President Trump for endangering the “credibility” of government’s inflation and unemployment numbers are either unaware of, or more likely have no problem with, manipulating data to fool the public into thinking the welfare-warfare system and the fiat money system are “working.” They only object to manipulating the data to benefit President Trump. President Trump should ensure the government’s unemployment and inflation figures are as accurate as possible by appointing John Williams of Shadow Stats to head the Bureau of Labor Statistics.

Ron Paul is a former U.S. congressman from Texas. This [article](#) originally appeared at the Ron Paul Institute for Peace and Prosperity and is reprinted here with permission.



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