

**Statement before the Republican Members
of the House Committee on Education and Labor by**

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24th U.S. Secretary of Labor (2001-2009)

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At the outset of the Obama Administration, the President's Chief of Staff and Secretary of State said that they would not “*waste a good crisis*” because crises “*are opportunities to do big things.*” Unfortunately for the American people, the “big things” this Administration seeks to do are antithetical to economic recovery. The Administration's agenda constitutes a veritable Europeanization of America. Yet American prosperity has never come from emulating Europe's high-tax, entitlement driven, government command-and-control regimes.

Over 4 million Americans lost their jobs in 2009. Just today, the Bureau of Labor Statistics released the new initial claims numbers of 482,000, an increase of 36,000 from the previous week's revised figure of 446,000. Over 17 percent of America's workforce is unemployed or underemployed in part-time jobs, casualties of the financial system's failures and an acute and widespread fear of the future. A fear of the future that is uncharacteristic of this country and which persists in no small part because of this Administration's job-destroying agenda. It is causing entrepreneurs to hold back, causing consumers to remain cautious and keeping private sector employers from hiring.

The big generators of American jobs have long been America's private sector entrepreneurs. According to a recent study, all of the net job creation from 1980 to 2005 was attributable to young enterprises – five years old or less. Born of optimism and good old-fashioned guts and toil, the workplaces created by America's entrepreneurs don't start out with human resources and legal departments. What they have is vision and heart. And they used to have hope, and faith, in the future.

As the two (2) attached charts show, the way to create jobs is to reward entrepreneurship and investment. But today America's private sector looks ahead and sees higher taxes, increased costs to hire workers, more federal mandates, more punitive bureaucracies and gigantic federal deficits that crowd out private sector capital. They see an Administration so beholden to Big Labor that within days of taking office the president issued executive orders rescinding requirements for workers to be informed of their right not to pay portions of union dues attributable to political activities with which they may disagree.

And even more ominously, they see an Administration that's pushing to deprive workers of secret ballots in workplace unionization elections and impose a 120-day deadline for employers to sign a labor contract -- after which government arbitrators would dictate labor contracts. With remarkable haste and audacity, this Administration busies itself reversing eight years of progress in enforcing union members' rights under the 1959 Labor Management Reporting and Disclosure Act. A reform that then-Senator John F. Kennedy championed to provide transparency for union members to know how their hard earned union dues are spent and to have the benefit of union representation free from corruption.

While the Administration focused in 2009 on appeasing its organized political allies, job creation ground to a halt. Current job creation figures are abysmal. The dearth of job creation during this

Administration distinguishes this recession from other downturns.

In the best of years, millions of jobs are lost. Even when America's economy is by all measures healthy and the unemployment rate quite low, there are businesses that suffer or fail and layoff workers. But there is nearly always a simultaneous and even greater burst of job creation occurring. That's not happening now. Even though 53,000 fewer jobs were lost in the first quarter of 2009 compared to the last quarter of 2008, the unemployment rate soared. That's because job *creation* sank. Nearly one million fewer jobs were created in the first quarter of 2009 than in the last quarter of 2008.

No one feels the lack of job creation more keenly than America's fifteen million unemployed workers who have been without a job, on average, for 29 weeks – the longest since that data began being collected in 1948. In normal times, laid off workers are unemployed an average of 8 weeks. Today the future looks so bleak to so many that in December alone, 661,000 lost hope and gave up looking for a job. Nearly 2 million have given up since May.

For the sake of these Americans and their families, the Administration needs to implement public policies that will create the environment in which the private sector can create long time economically self-sustaining jobs. That's the Massachusetts message, loud and clear.

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