

# Immigration Law: Finger in the Economic Dike

*Outsourcing jobs, insourcing  
workers: two sides of the same coin*

by John H. Tanton

The outsourcing of jobs has turned into an election year issue. The practice is facilitated – even required – for corporate survival by the global trade agreements executed over the last few years. Formerly, a company that outsourced work to cheaper foreign labor markets faced duties, imposts, and tariffs that would have increased the product's price to roughly the same level that was obtained with U.S.-based labor. Now those protective measures are gone and corporations are free to outsource jobs and import goods with virtually no interference from our government.

A parallel effect on the jobs market could be had by importing workers to the jobs, rather than exporting the jobs to the workers. These are two sides of the same coin, for American wages and conditions are undercut in both instances. The difference is that there are laws governing importing of workers, while there are now no comparable strictures on the exporting of jobs.

Consider the family with the youngster trying to decide on a college career, hopefully to gain something beyond commercial skills, but certainly in a field that offers some prospects for employment. Let's say the youngster chooses information technology, gets good training and then a job with a company that provides the necessary capital equipment to enable productivity that would warrant a salary of \$30.00 an hour – \$60,000 a year.

What is to prevent someone from, say, India or China, approaching our youngster's employer and

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*John H. Tanton, M.D. is publisher of The Social Contract..*

offering to do the same quality of job for \$25 per hour, or even less? Answer: only the immigration laws. Consider the response of the employer: "Make that \$16 (or \$12 or \$8) per hour, and you've got yourself a deal."

The consequences of a wide-open world labor market are a world-wage and living standard. What might such a living standard be? Here is the rough math:

#### STANDARD OF LIVING FOR THE WORLD

Approximately 1 billion people live in the more developed countries.

Average income is approximately \$25,000/yr. \$25,000  
x 1 billion = \$25 trillion income.

Approximately 5 billion people live in the less-developed countries.

Average income is approximately \$1,000/yr.

\$1,000 x 5 billion = \$5 trillion income.

Total world income: \$30 trillion.

\$30 trillion income ÷ 6 billion people = \$5,000 average world income.

Keep in mind that the combined population of India and China is about 1.4 billion – approximately five times that of the United States. Even if the bell shaped curves for ability are identical in all three societies, in China/India there are roughly five times the number at any ability level as we have in the United States. Competition will be fierce indeed.

Conclusion: Only our immigration law stands between the jobs of our sons and daughters, wives and husbands, and a predacious, cut-throat world labor market. If we elect to go that way, economic and social chaos seem sure to follow. •