

The Social Contract

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A Note from the Editor

Exporting Jobs, Importing More Workers

In this issue of *The Social Contract*, contributors touch on different policies that are converging to create a continuing crisis. So-called “free trade” agreements are exporting American technology and jobs. This has been going on for some time, strongly supported by both political parties. Three previous administrations defined “North American made” as including products assembled in Mexico. A stampede of jobs left the United States, as major manufacturers quickly moved south of the border and beyond. In a review, “Beware False Thrift,” Pia Catton [*Wall Street Journal*, Saturday/Sunday, June 23-24, 2012, p. C10] notes that the U.S. now makes only 3 percent of the clothing its consumers purchase, down from about 50 percent in 1990.

At the same time, outsourcing continues apace. A decade ago, Milton Friedman referred to the H-1B Visa program as “just another government subsidy” whose limited benefits are largely privatized while the costs are socialized. Frequent *TSC* contributor Dr. Gene Nelson has noted that “The U.S. has an ‘alphabet soup’ of work visas procured by greedy special interests, with about a million new admissions *Each Year*.” India, with a population of 1.22 billion, more than four-times the U.S. population, only allows a total of about 30,000 work visas. Dr. Nelson observes that, “India does a much better job of protecting its workforce from foreign competition. The U.S. should emulate India’s approach.”

William Dickinson, former editorial director of the Washington Post Writers Group, points out that this Spring, American colleges and universities turned out 1.7 million new graduates who entered a work force already staggering from high levels of unemployment and underemployment. Much attention has been drawn to high rates of joblessness among young people. But, as the *Wall Street Journal* highlighted recently, “Less noticed, but no less significant to many economists, has been the plight of the middle-aged. More than 3.5 million Americans between the ages of 45 and 64 were unemployed as of May, 39 percent of them for a year or more — a rate of long-term unemployment that is unprecedented in modern U.S. history, and far higher than among younger workers. Millions more have quit looking for work or have taken part-time jobs to get by.” [Ben Casselman, “For Middle-Aged Job Seekers, A Long Road Back,” *WSJ*, June 23-24, 2012, p. A1]

Placing a freeze on legal immigration, repatriating illegal aliens, and encouraging companies to produce goods in America and hire Americans are sensible policies that can be quickly enacted. The public needs to understand what is at stake and demand a shift in priorities. ■

Wayne Lutton, Ph.D.