The Causes of Unemployment

by Phyllis Schlafly *January 5, 2010*

Much has been written about our current high unemployment, but there is a strange reluctance by both liberal and conservative commentators to assess blame for the dramatic loss of well-paying American jobs. The causes are not only the general recession and the collapse of the housing market, but bad decisions by government and business that deserve finger-pointing.

Since 2000, the U.S. has lost millions of jobs due to outsourcing and insourcing. Those are euphemisms for exporting high-paying jobs to low-wage foreign countries, while importing an uneducated underclass willing to work for lower-than-U.S. wages without benefits.

The winners in this game include the corporate executives and stockholders who benefited by cheap labor, but the losers are the U.S. middle class. In addition to unemployment for those whose jobs were eliminated, the real wages (adjusted for inflation) for the jobs remaining have steadily declined.

Since 2000, the U.S. manufacturing sector has lost nearly 25 percent of our total manufacturing workforce. Many of those jobs have gone to Communist China, where toys for the U.S. market are made in sweatshops by workers paid as little as 36 cents per hour, and many white-collar jobs have gone to India where telephone operators can be hired for $1 an hour.

Leading economists are becoming willing to admit that their devotion to free trade was misplaced. Paul Samuelson, Nobel prize-winning economist and a dominating figure in U.S. economics for decades, faced reality before he died and admitted, "There is nothing in the theory that says trade is always a win-win for every group."

Dr. Jerome Corsi's latest book, "America for Sale," is a superb explanation to help the public understand our current economic woes. He shows that free trade is turning America into a two-tiered country like many foreign countries, with a few of the very rich and a lot of the very poor, while the middle class loses big-time.

The Sacramento Bee published an article admitting that California is already "a two tier economy with Asians and non-Hispanic whites competing for high-status positions while Hispanics and blacks struggle to get the low-paying service jobs."

Dr. Corsi relates how the United States welcomed China into the World Trade Organization in 2001 knowing that free-trade agreements with China would be unfair to America, and that even the expression "free trade," as applied to China, is a fraud. China uses

near-slave workers paid less than a dollar an hour with no benefits, sends us lead-encrusted toys and poisonous foods and medicines, and keeps its currency artificially cheap to unfairly advantage its exports.

The deceit in the free-trade slogan is epitomized by the way China and other nations blatantly discriminate against the United States by using a Value Added Tax (VAT) both to subsidize their exports and to penalize their imports.

The way this racket works is that China reimburses taxes paid in China by manufacturer-exporters, but imposes border taxes against American companies trying to sell their products in China. It's not just coincidence that the tax barriers foreign countries impose on U.S. goods amounts to about as much as the tariff that was supposedly abolished or reduced under the phony name of free trade.

Dr. Corsi explains that the globalists know that free trade necessitates regional and ultimately global governance, and that economic integration inherently begets political integration. Ultimately, free trade is an assault on American sovereignty and independence.

Corsi entitled his book "America for Sale" because a bankrupt business is essentially a business for sale, and the Obama Administration is spending our country into bankruptcy. The foreigners who hold so much American cash are ready to switch to a new global currency and use their dollars (before they lose all their value) to buy U.S. tangible assets.

The result will be that foreign interests will end up owning important segments of U.S. private corporations and public infrastructure. Corsi asks some troublesome questions, such as how will we protect ourselves against technological espionage if foreign nations are permitted to own controlling positions in important U.S. technological firms?

In Corsi's book, you will "meet the globalists" who are behind the plans to control our economy, destroy our dollar, replace it with a new global currency, and model our future on the European Union. When President Obama traveled to the G20 meeting on April 2, 2009, he proclaimed a "declaration of interdependence" and insisted that glob,al solutions are required to bring us out of the recession.

Corsi reminds us that Obama's bailouts are not just a way for private companies such as General Motors to survive, but a way for government to take over management of our private economy. We know the word for that: it's socialism.