

Bargains? Off With Their Heads!

By [The Mogambo Guru](#)

02/16/04 Mogambo on Monday! Bernie Sanders, above – and Lou Dobbs, below – may get hot and bothered over the outsourcing of U.S. jobs... but the ever- price-conscious, free-market Guru sees more silver lining than storm cloud.

Lou Dobbs has got a strange idea into his head. Now you remember Lou Dobbs – that avuncular and charismatic guy who knows absolutely nothing about economics as far as I can tell, but who wants to be helpful, as do all Leftists, as do we all, and so hosts his own TV show about business and money. Anyway, Lou has somehow got it into his head that U.S. jobs going overseas is some huge calamity without any saving grace.

Every night while I am channel-surfing like any normal American, whenever I happen to hit on Lou's show, there is inevitably some segment where he demonizes those companies that are sending jobs offshore to take advantage of cheaper labor. He even asks viewers to send him the names of companies that are moving jobs offshore, which reminds me of the Salem witch hunts, so that he can officially demonize them or something. Maybe send them hate mail.

But Mr. Dobbs makes no mention of the fact that these companies are sending jobs overseas so that they can sell American consumers inexpensive stuff. So we get to buy cheap stuff, made by foreigners, instead of having to buy expensive stuff, made by Americans. But so certain is Lou of the nefarious nature of this practice, that he is (insert deep and moody soundtrack to indicate some evil conspiracy), "keeping a list" of those companies who do this huge favor for us consumers. Ooooh! Keeping a list!

Lou Dobbs: Letting You Buy Bargains

And what is the exact crime with which these companies are being charged? I bring this up as a point of law, as the local constabulary is now aware that "locking me up and throwing away the key" is not an acceptable punishment for me "acting like an idiot and screaming about monetary policy and fiscal policy idiocies and in general creating a disturbance," because they could not pinpoint the exact crime with which I was being charged, although everyone agreed that "sending me up the river" for a long, long time was a great idea.

So, what was the crime? For letting you buy bargains. You are allowed to buy inexpensive stuff. Now I will insert my expensive animated short, in which Lou Dobbs is all dressed up as the Queen of Hearts in Alice in Wonderland and he is shouting "Bargains? Off with their heads!"

Now Lou likes to showcase the AFL-CIO, who see themselves as the glorious and brave vanguard of The American Working Man And Woman Who Need To Pay Higher Prices For Everything (TAWMAWWNTPHPFE), which is getting its members to march around huffing and puffing about how this outsourcing of jobs is so awful. And they are striding up the steps, heroes into the fray, to the White House or something, carrying signs and banners and making big noises, and they want the President and the Congressional bozos to – hold onto your hats – "do something."

So what do they want the President and the Congressional bozos to do? Like every other grubby self-interest group, they want Congress to give them something for nothing. In this instance, they want Congress to pass laws making sure that overpaid Americans can have their jobs as long as they want them, regardless of the consequences, and while they are at it, how about throwing in some more benefits?

And this sorry spectacle is Exhibit A, showing why there are very few AFL-CIO people who win prizes for having smarts. If they had any smarts, they would know that the jobs are moving overseas precisely because the Congress has ALREADY been "doing something," namely passing more and more legislation mandating that employers provide more and more benefits to more and more people, and passing regulating legislation to make the very act of doing business in America more costly and onerous. This drives up costs to the company, which drives up the price of the goods and services produced by the company. And that means that union labor has to get higher wages to pay the higher prices, and that makes the company raise prices some more, and the next thing you know, those sneaky Chinese are able to produce the same goods, but at a mere fraction of the cost. And this is, somehow, unfair.

Lou Dobbs: Get Rid of the High-Priced Employees

And since nobody wants to pay higher prices, they don't, and sales fall. And then the company looks around, and says "Hey! How come nobody is buying our products?" Then the company goes down to the Wal-Mart and notices that every boob that walks in off the street can buy the exact same product the company makes at a Wal-Mart retail price that is lower than the company's wholesale price! Then some genius MBA figures out that the way to get the company's costs down is to get rid of these high-priced employees and then go someplace where they have low-cost employees! And, in the bargain, they hopefully get a business environment that is relatively free of the aforementioned legislated regulatory burdens that are suffocating every business transaction, too.

So they move offshore. And the customers love it! And the company starts making money again!
And management loves it! The stockholders love it!

But then the AFL-CIO crowd and Lou Dobbs – and notice how I have slipped into my childish mode and taken my crayons and drawn mustaches on their pictures and blacked out some of their teeth so that they look as intelligent as they sound - arrive at the White House, indignant and demanding. And then they find out that Congress is already working against them by borrowing and spending, and the Fed is printing up humongous gobs of money for this exact effort, and all this monetary inflation is filtering through to prices, like it always does, and this gives an added whammy to the upward rise in prices, which makes the problem of the company worse, and adds impetus to management's deciding to move production offshore!

And you don't have to believe me, and I realize how hard it is to believe anything that a raving lunatic like me says.

But perhaps you will listen to Jude Blanchette, who wrote an article entitled "The Bogeyman of Lost Jobs" over at

Mises.org. In the same vein as the Mogambo, and please do not hold that against him, he writes: "The regulatory

burden placed upon manufacturers leaves them at a severe disadvantage with the rest of the global playing field.

Countries that don't have the list of draconian environmental and workplace regulations, not to mention

mandated benefits and compulsory unionization, reap the benefits of flexibility."

But Lou and all his buddies in the unions all decide to ignore the Mogambo and ignore Mr. Blanchette, and in their

little pea-brains they decide that what they will do is to stand around wringing their hands and sending up pitiful

wails of anguish, hoping that the hand-wringing will produce a solution, and getting viewers to rat on companies

who are planning to sell production to customers at bargain prices.

But it is all for naught. The Government Is On The Job (GIOTJ) already! What the government has done, or well,

more exactly, what the Federal Reserve has done, is to engineer a fall in the worth of the dollar by making it worthless by virtue of their printing up so darn many.

Therefore, when the dollar has finally been debased enough, the \$50-an-hour job that the union people want will be

roughly equivalent to what an illiterate peasant Chinese congenital idiot at the very bottom of the wage scale makes

for standing around in the rice paddies for an hour. Then jobs will magically flow back over here, and the Chinese

workers will get to complain about how we Americans work so cheap, and they can spend their time complaining to Lou

Dobbs and THEIR government about how Chinese jobs are moving offshore to America.
Problem solved!

Regards,

The Mogambo Guru
for The Daily Reckoning
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P.S. Of course, there is a price to be paid, as there is always a price to be paid. And I am reminded of this as I notice that a targeting-laser beam from a government sniper is wavering on the wall near my head, and this is the price I pay for being a loudmouth malcontent, and in fact one of my many charming personalities is Malcontent Mogambo, which flopped as an Official Collectible Action Figure, and the price to be paid is that I get John Ashcroft and his Patriot Act goons getting all huffy just because I hate all their guts for what they are doing to my country.

And the price for the devaluation of the dollar, and the resultant inflation will be paid, as it is always paid, by the poor, and the old, and the people at the low end of the wage scale, and then people not so low on the pay scale, and the people above them, until, finally, everybody is feeling the pain.

As my snotty little coda, I will add that as prices rise, the AFL-CIO will find that their incomes, even at \$50 an hour, are not rising as fast as prices. Like, for instance, the price of oil. In that regard, perhaps it becomes clearer why we invaded Iraq, killed thousands of Iraqis, kidnapped their leader, and just took over the joint.