



Ted Cruz Defends Carly Fiorina's Outsourcing Record

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On *Fox News Sunday*, Sen. Ted Cruz (R-TX) found himself on the defense, explaining what his VP pick of Carly Fiorina signals for his campaign's views on outsourcing.

Fox News host Chris Wallace pressed Cruz about his decision to appoint Fiorina as his running mate hopeful given her business record of laying off some 33,000 workers and aggressively outsourcing U.S. jobs while she was CEO of Hewlett-Packard.

"Outsourcing is a big issue in Indiana," Wallace said. "The company that controls Carrier Air Conditioning has announced they're going to ship 2100 jobs from Indiana to Mexico. But Fiorina has a record as head of Hewlett Packard laying off 30,000 people and outsourcing many of those jobs to India and China. So I guess the question is: Will the Cruz-Fiorina team do the same thing to Indiana that she did to Hewlett-Packard?"

Cruz laughed and said, "Carly has an incredible business record and an incredible personal story."

Cruz then proceeded to defend Fiorina's business record, declaring: "She helped HP become the largest technology company in the world, achieved remarkable success. Many of those jobs, by the way, were transferred from one state to another within the United States."

However, Cruz's assertion that the jobs Fiorina cut were simply "transferred from one state to another within the United States" seems contradicted by multiple reports, fact-checks, and even Hewlett-Packard's website itself.

Since leaving HP, Fiorina has repeatedly sought to defend her record with similar declarations. During her 2010 failed Senate run in California, Fiorina said, "We also added jobs in this country. Those are just the facts. And if you go into the proxy statements and track it, you'll see that."

At the time, a 2010 *Los Angeles Times* report examined those statements and sought to determine whether Fiorina's claim was true. The *L.A. Times* report found that Fiorina's claim was misleading and seemed to depend upon calculating worldwide employment growth, rather than U.S. employment growth, which actually dropped under Fiorina's tenure.

The *L.A. Times* wrote:

When asked if she could document her claim that HP increased the number of jobs in the U.S. during her tenure, Fiorina's campaign sent two news clips. One was an Associated Press account from May 30, 2002, which said "Palo Alto-based HP has 74,000 U.S. employees and 150,000 overall." A news report from 2006 said HP had 80,000 U.S. workers.

But on Feb. 13, 2004, in her Wall Street Journal essay, Fiorina had written, "[W]e have 60,000 workers here." Thus, between May 2002 and February 2004, the number of HP's U.S.-based employees had dropped by nearly 20%.

"I would say she has created a lot of jobs," said veteran Hewlett-Packard engineer Dan Dove, 55, who has worked at the company's Roseville, Calif., site since 1980. "But they are not in the United States."

Indeed, as Hewlett-Packard states on its own website, "most of our employment growth" is "outside the United States":

Our workforce is divided almost evenly among three regions: the Americas; Europe, the Middle East and Africa (EMEA); and Asia Pacific and Japan (APJ). With most of our employment growth outside the United States, a diverse workforce is essential, as it promotes creativity and innovation while helping HP reflect the values and demographics of customers wherever we do business.

Recent reports note that another gimmick Fiorina relies upon to puff up HP's employment growth during her tenure is to count job growth incurred by company acquisitions.

"We saved 80,000 jobs, went on to grow to 160,000 jobs. And now Hewlett-Packard is almost 300,000 jobs," Fiorina said during a September GOP debate.

Fiorina's deputy campaign manager Sarah Isgur Flores followed up, writing: "Carly saved 80,000 jobs and HP grew to 150,000 jobs by 2005."

However, as ComputerWorld's Patrick Thibodeau has explained:

What Fiorina didn't note is that much of HP's employment growth was through acquisitions. In 2001, HP acquired Compaq, adding 64,000 employees, and in 2008 it added EDS, gaining another 139,000. Whether these acquisitions were wise or successfully integrated is a matter for debate. But a more important issue may be whether HP still matters as a U.S. employer. Many of these jobs are overseas, and more may be heading there. HP doesn't report its U.S. employment, and that's a critical piece of data. If HP's U.S. workforce is shrinking, while its overseas workforce expands, Fiorina may be forced to reshape how she talks about HP.

Fiorina's record of outsourcing U.S. jobs may pose unique challenges to Sen. Cruz's presidential campaign, which has already been mathematically eliminated from reaching 1,237 delegates.

During his Sunday Fox News appearance, Cruz attempted to argue that a Cruz-Fiorina administration would be better for bringing jobs back to America than would a President Donald Trump.

"When it comes to bringing jobs back to America, there could not be a clearer contrast between Carly and me on the one hand, and Donald Trump and Hillary Clinton on the other," Cruz said.

Fiorina's business record of killing tens of thousands of U.S. jobs and sending them overseas could perhaps contradict that talking point. In 2004, Mrs. Fiorina wrote "when you build walls to protect your own workers, in the long run you end up hurting them."

Similarly, although it has gone largely undiscussed in the mainstream media, Cruz has repeatedly expressed his opposition to imposing corrective measures that would keep companies in the United States. Indeed, in Sunday's interview, Cruz attacked Trump's proposal to tax Carrier if it were to try to move its jobs out of the country.

Cruz said:

It is a travesty that Carrier is pulling jobs out of Indiana and moving jobs to Mexico. But the reason they're doing it is because of the Obama administration's crushing taxes and crushing regulations. Now what is Donald Trump's response to that? He says he's going to punish Carrier. He's going to use the power of the federal government to punish them... That's the response of big government liberals... My approach is totally different. I understand what both Reagan and John F. Kennedy understood, which is when you cut taxes and reduce regulations, you see millions and millions of new jobs. So what I'm going to do is repeal Obamacare, reign in the regulators that are killing jobs.

However, steel and manufacturing plants closed across the U.S. for the last 40 years not because of Obamacare or regulations, but because of illicit trading practices and foreign product dumping. The effects of these trading practices have been acutely felt in Indiana. As the *Chicago Tribune* reported in March of 2015, CEOs of U.S. Steel Corp, and other industry leaders have "described an influx of steel imports that are taking up an increasingly larger percentage of the market, causing industry layoffs in Northwest Indiana and across the country. They said today's imports China, Turkey and South Korea have surpassed the amount dumped here in the late 1990s that resulted in the bankruptcies of major steel players."

Interestingly, while Cruz cited Reagan in Sunday's interview, Cruz did not mention the fact that as president, Ronald Reagan did not hesitate to impose duties, tariffs and other trade fairness measures to enforce trade rules — the same measures that Cruz now criticizes Trump for supporting.

Indeed, Reagan was harshly rebuked by so-called "free traders" for taking "protectionist" actions such as a 45 percent tariff on Japanese motorcycles to save the Harley-Davidson Motor Company of Milwaukee, Wisconsin. President Reagan also imposed a tariff of 100 percent on Japanese semiconductors.

In fact, in a blistering condemnation of former President Reagan, the “free trade” Cato Institute helpfully published a list of actions President Reagan took to protect American jobs and manufacturing. The analysis, published in 1988, described Reagan as “the most protectionist president since Herbert Hoover, the heavyweight champion of protectionists.”

Breitbart News recently reached out to Sen. Cruz and Ms. Fiorina’s campaign and asked, “How would a Cruz-Fiorina administration respond if a company tried to move offshore?” *Breitbart* also asked, “What actions would a Cruz-Fiorina administration take against China if they manipulate currency?”

Both Cruz and Fiorina’s campaigns failed to respond for comment.