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Driving the Conversation:

Arena Ref: [David Mark](#)

Is Mitt Romney an outsourcer?

- **Roger Pilon** Vice President for Legal Affairs, Cato Institute :

David Axelrod, like Obama himself, is playing to the economic ignorance that afflicts a good part of the American public. Firms don't "specialize" in outsourcing jobs. They try, rather, to produce the best products at the lowest costs - for the benefit of their owners and their customers. If that means going abroad to find the best labor at the lowest cost, so be it.

What would you have them do, seek inferior labor at higher costs? How would that benefit owners, customers, or the nation as a whole? Firms are not welfare agencies.

When firms are run efficiently, everyone benefits - including those higher-wage domestic workers who would otherwise have been employed but now must seek other opportunities that will arise only under conditions of efficiency. Or, of course, we could *restrict* firms from going abroad, *force* them (by law) to be less efficient, and thus lower the standard of living for everyone. That's the prescription implicit in the Axelrod/Obama vision. Obama's multiple "Solyndra" fiascoes have cost several million dollars per job "created" (and eventually lost). I dare say those workers would have preferred having the (taxpayer's) money to the jobs.

As for Axelrod's charge about Romney's "breathtaking hypocrisy" - his pledging on the campaign trail to protect American jobs from outsourcing - there's a perfect explanation for that, but to understand it it takes a better grasp of economics than Axelrod or Obama, by his actions, seem to have. You remove so many of the irrational, rent-seeking regulations we have today, which Romney has promised to do, and you'll create a climate in which firms won't have to look abroad for labor. If there's any "breathtaking hypocrisy" at play here, it's with Axelrod and Obama, who purport to speak for the "middle class" but whose policies for three and one half years have driven the middle class into ever greater depths of despair. Obama's record, as we say, speaks for itself.