

LOU DOBBS TONIGHT

Domestic Spying Fallout; Federal Failure in Hurricane Rebuilding Effort; The Clear Act; Extreme Weather Of 2005 Possibly Related To Global Warming; Professor Pushes For Longer Fence On Border;

Aired December 28, 2005 - 18:00 ET

ROMANS: Over the past year, this broadcast has documented the disdain corporate America appears to have for our nation's middle class. Corporate executives almost gloat about cutting U.S. middle class jobs and exporting them overseas. And as our politicians stood by and watched, hundreds of thousands of U.S. jobs were lost this year to cheap overseas labor markets.

(BEGIN VIDEOTAPE)

ROMANS (voice-over): Microsoft hiring 3,000 more workers in India. JPMorgan Chase hiring another 4,500 workers there. Intel investing \$800 million to expand research and development in India. Wachovia cutting an estimated 4,000 jobs and relocating most to India.

UBS next year will open its first office in Hyderabad with 500 people next year. And Cisco declaring it would like to become a Chinese company.

About half of all new businesses are generating jobs not just in America but overseas.

MARK HEESEN, VENTURE CAPITALIST: It is a global international economy. And if you don't as a businessman understand that from a venture capitalist perspective, you're simply not going to get funded.

ROMANS: Even state governments are sending contracts overseas, they say, to reduce costs.

STUART ANDERSON, NATIONAL FOUNDATION FOR AMERICAN POLICY: The problem becomes, if you overpay for services unnecessarily, that's less money that states would have for either tax relief or education or job training.

ROMANS: But many taxpayers are outraged that their taxes are hiring foreign workers instead of Americans. Forty-one states this year considered outlawing outsourcing state contract work overseas. Seven states now limit outsourcing. (Source for graphic: National Foundation for American Policy.)

Taxpayers even more outraged that hundreds of thousands of their tax returns were shipped overseas for preparation, raising serious concerns about taxpayer privacy. After months of complaints, the IRS this month proposed regulations requiring taxpayer consent before their tax information is sent overseas.

But even as the IRS moves forward, government outsourcing is eating away at our military base. Consider that the Bradley fighting vehicle will no longer be made by a U.S.

company.

TOM BUFFENBARGER, INTERNATIONAL ASSOC. OF MACHINISTS AND AEROSPACE: We're at war today, and giving away our ability to manufacture the means to wage it and defend ourselves is so contradictory.

ROMANS: From apparel to electronics to call centers, companies are eager to outsource any jobs they can, prompting the Commerce Department to finally release a 12-page report looking at the impact of offshoring on American jobs, a \$300,000 government analysis that was suspect.

RICHARD MCCORMACK, MANUFACTURING & TECHNOLOGY: I'm not sure if it's a lie or it's just a cover-up or they won't answer those questions. So I don't know. I asked the questions but they didn't answer them. So what it is, is 12 pages of not breaking any ground on a really important issue.

ROMANS: Breaking no new ground, even as outsourcing trends do.

The latest, nearsourcing, exporting American jobs to Central America instead of China or India. All made possible thanks to the passage of CAFTA.

JUAN CARLOS PEREIRA, PRONICARAGUA: We think we can be competitive in areas like call centers and contact centers.

ROMANS: Research firm Datamonitor estimates call center work stations in Central America and Latin America will double to more than 730,000 in the next two years. Outsourcing, nearsourcing, whatever the term for sending American jobs overseas, it's not a guaranteed win for companies.

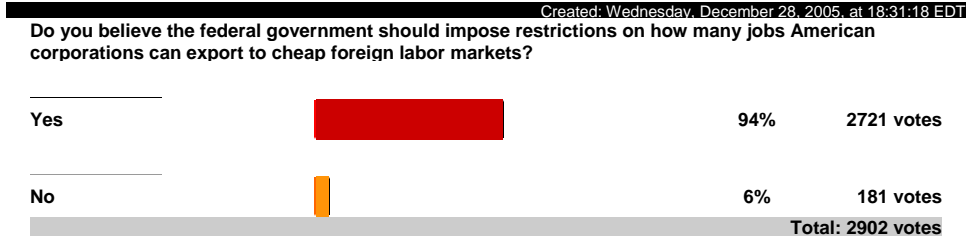
One study this year found satisfaction rates plummeting from 79 percent to 62 percent. Why? Poor quality offshore companies and cost savings less than expected, as this company we visited this year found out.

PAUL ADELBERG, HAYWARD INDUSTRIES: Word of advice to companies, they better do their homework. And I would also venture to say, because it seems like the in thing to do for some manufacturers, in a lot of cases I would say that companies are making a big mistake by going to China or offshore manufacturing.

(END VIDEOTAPE)

ROMANS: And some say 2005 may turn out to be a year of diminished returns for the corporate managers who've sent those jobs abroad. After three years of aggressive outsourcing, American training managers are increasingly giving more responsibility to managers on the ground with mixed results. Yet, experts still expect the rush to outsource will continue in 2006. And, of course, we'll continue to follow this issue.

And that brings us to tonight's poll. Do you believe the federal government should impose restrictions on how many jobs American corporation can export to cheap foreign labor markets? Cast your vote at loudobbs.com. We'll bring you the results later in the broadcast.



This QuickVote is not scientific and reflects the opinions of only those Internet users who have chosen to participate. The results cannot be assumed to represent the opinions of Internet users in general, nor the public as a whole. The QuickVote sponsor is not responsible for content, functionality or the opinions expressed therein.