

We've Got Plenty of Smart People Here Too.

Dear Mayor Schaaf,

I have written to you about the issue of importing smart people in my annual Earth Day essays on sustainable existence on our planet and in my essays on economic competitiveness (please see attachments and below). I was reminded of this topic during a recent all-hands meeting of Kaiser Permanente employees on racism. Our CEO Gregory Adams and other Kaiser official stressed the need for inclusiveness: African Americans should be appropriately represented in the range of jobs in Kaiser Permanente, in our state and in our nation, including tech programming jobs where they are greatly under-represented.

Oakland, where Kaiser Permanente is headquartered, is a bit over 40 miles from Silicon Valley which has perhaps the greatest concentration of tech programming jobs in the world. The proximity of east Oakland (where we live) to Silicon Valley has offered the opportunity for Silicon Valley leaders to develop local talent for tech programming jobs, including lots of smart young and a bit older African Americans. But Silicon Valley leaders have not done this. Instead they import programmers: between 65% - 75% of tech programmers in Silicon Valley are foreign-born, preponderantly from India.

COVID-19 and High Unemployment Means

Lots of Smart Americans Are Available.

COVID-19 has driven unemployment to record levels. The California unemployment

which was 3.9% in December 2019 has shot up to 16.3%, and about 5 million jobs have been lost in the state. The US unemployment which was 3.5% in December 2019 has risen to 13.3%, and about 30 million jobs have been lost in the nation. So, lots of smart Americans, including smart African Americans, are available. Given the situation, you would think that Silicon Valley promoters would hold off on their requests to import more smart people.

But no, Silicon Valley groups are clamoring to import more H-1B workers and warn President Trump that if they are not allowed to, it will have a “dangerous impact on economic recovery.” Trump “signed an executive order that shuts out many new foreign workers until the end of the year, suspending the technology industry’s favorite visa, the H1B.” Trump wrote, “Without intervention, the United States faces a potentially protracted economic recovery with persistently high unemployment if labor supply outpaces labor demand. American workers compete against foreign workers for jobs in every sector of our economy.” (*East Bay Times*, 6/23/2020)

Given the grave unemployment situation and the of availability of millions smart, capable and educated Americans, it is remarkable that the *East Bay Times* ran an editorial on June 24, 2020 warning that “President Trump’s order suspending H-1B visas threatens the next wave of tech innovation, raising the risk that we’ll lose the immigrant leaders needed to help us sustain the U.S. economy.” The editorial mentions that Andrew Carnegie who was an immigrant from Scotland was a leading industrialist in the steel industry in the late 19th century. "Zoe" Lofgren, U.S. Representative for Silicon Valley, also mentioned recently that Andrew Carnegie was an immigrant from Scotland while discussing the H-1B program.

Do We Need to Keep Importing Smart People
or Do We Already Have Enough Smart People Here?

Do we need to keep importing smart people or do we already have enough smart people here? Virendra Jain of Concord wrote a Letter to the Editor of the *East Bay Times* on June 26, 2020 stating her belief that we already have enough smart people here.

“Suspension of H-1B visa is commendable, overdue.

The executive order signed by President Trump on Monday suspending the H-1B visa is very commendable and long overdue.

The president is trying to protect American workers. This has been his goal from day one in office, hire American, buy American. The high-tech companies have been for years misusing the H-1B visa by hiring cheap foreign labor and laying off and firing American workers.

Trust me, there is enough American talent available to fill the needs of high tech and other industries. The only problem is that American talent does not work for pennies on the dollar as these cheap foreign workers do.”

I, like Virendra, believe we already have an abundance of smart people here in American, including lots of smart young African Americans in east Oakland whose potential to be high-tech programmers has not been and is not being developed. Instead we import smart people. I wrote on this subject in my essay on economic competitiveness in August 2011 and in my essay to you in April 2018 on sustainable existence on our planet; excerpts are below and the essays are attached.

Andrew Carnegie

Since promoters of importing smart people regularly cite Andrew Carnegie, I will comment on him from a sustainability perspective and from an economic perspective. Andrew Carnegie was born in Scotland and emigrated to the United States in 1848 at

age 12. He became a leading industrialist in the steel industry in the late 19th century. His steel holdings were later merged to found U.S. Steel.

Sustainable Existence on our Planet

The U.S. population in 1850 was 23,191,876, well under the maximum sustainable population of the United States of about 150,000,000. The current U.S. population is 330,986,397 and more than double the maximum sustainable population of the United States; it is 14.3 times what it was in 1850 shortly after Carnegie immigrated here. Unsustainable population levels driven by immigration were not a factor in 1848 when Carnegie immigrated here; they are today.

Andrew Carnegie Was Not Indispensable for the Development of the Steel Industry in the United States.

In the 19th century, there were lots of industrialists vying for control of the steel industry. Andrew Carnegie got the jump on them and came to dominate the steel industry. But if he had not gotten to the top, one of the other industrialists would have, likely a native-born American as they did in other industries. For example, many industrialists competed to gain control of the oil industry, but John D. Rockefeller, born in New York state in 1839, won out. Likewise, many financial magnates vied for control of corporate finance in the 19th century, but JP Morgan, born in Connecticut in 1837, came out on top. In shipping and railroads, Cornelius Vanderbilt, born on Staten Island in 1794, became dominant. The early magnates of the automobile were also native-born Americans: Henry Ford, born in 1863 in Michigan; William C. Durant (General Motors), born in 1861 in Massachusetts; Walter Chrysler, born in 1875 in Kansas; and the five native-born Studebaker brothers who founded Studebaker Brothers Manufacturing Company in 1852.

Even then, when the population of the US was much smaller than it is today, we were not dependent on the “immigrant leaders needed to help us sustain the U.S. economy” that the *East Bay Times* wrote about in the editorial cited above. Native-born Americans such as those cited above provided the leadership to get the job done. We should also remember that if African Americans had not been excluded from these spheres of economic activity in the 19th century, these native-born Americans might have risen to the top of these industries rather than the John D. Rockefeller’s, JP Morgan’s. etc.

Time to Give African-Americans a Shot at Being Tech Programmers in Silicon Valley.

Santa Clara County is the heart of Silicon Valley. County officials are pushing to declare racism a public health crisis. This a good start and does not cost much to accomplish. Developing young African Americans to be Silicon Valley tech programmers does have costs. To start, Silicon Valley leaders will have to wean themselves from the “cheap foreign labor” that Virendra Jain wrote about (see above). And then of course there are training costs to develop an under-utilized source of programmers. These are costs well worth bearing. It is in the interest of social equity and social order that African Americans have appropriate representation in tech. **We’ve got plenty of smart people in Oakland and throughout our county** who need a shot at having their potential developed.

As a Kaiser Permanente employee, I was inspired to write this essay by our CEO Gregory Adam’s presentation on racism at our recent all-hands meeting. I am an Oakland native who grew up in Oakland with immigrant Irish grand parents and aunts. I am a graduate of Oakland High School and am fluent in Spanish.

Sincerely,

William E. Jackman, PhD

Statistician/SAS & SQL Programmer

Oakland, California

June 28, 2020

Excerpt from August 2011 Essay on Economic Competitiveness

None of the Authors Suggest Importing Smart People as a Solution

We regularly hear calls for importing more smart people from around the world as a solution for regaining our economic competitiveness. For example, a recent *Newsweek* article (June 27, 2011) entitled "14 WAYS TO SAVE AMERICA'S JOBS BY BILL CLINTON" included a section by Carl J. Schramm, CEO of the Kauffman Foundation, entitled "IMMIGRANTS=JOBS There's a simple way to get Americans back to work: Make it easy for talented foreigners to come here and hire them." (pp. 40-41).

As mentioned above, none of the authors of the three books being discussed in this article even mention importing smart people in the list of possible solutions they consider. Incidentally, what Schramm proposes used to be called the "brain drain" and was criticized.

Some comments on Schramm's proposal.

- Many countries which have been most successful in the global economy-- Sweden, the Netherlands, Denmark, Germany, Japan, Taiwan, South Korea--have relatively small populations and have not needed to import smart people from other countries to be successful in the global economy.
- The countries cited above have homogeneous populations, unlike the U.S., a diverse immigrant nation which includes African-Americans (who were not immigrants per se because they were brought here as slaves several hundred years ago). It is common to hear Americans say things like, "On my mother's side, I'm French, German, and Italian, and on my father's side I'm Russian and Polish." Or "On my mother's side I'm Chinese, and on my father's side I'm Mexican and Puertorican." Americans can say such things because many of our ancestors immigrated to the United States from different countries fairly recently. The Chinese or Japanese or Koreans cannot say this because their ancestors have lived in those countries for thousands of years. One would think that a country as racially and ethnically diverse as the United States would not have to import smart people from around the world, particularly given that countries which do not have racially diverse populations such as South Korea do not have to do this to be economically competitive.
- The U.S. already has a large population -- 311,474,000 -- compared to countries with much smaller populations such as Sweden, the Netherlands, Denmark, Germany, Japan, Taiwan, and South Korea which have been successful in the

global economy.

- As Prestowitz noted, our economic competitors in "...Europe and Japan have had stable or even shrinking populations, while immigration and high immigrant birth rates have driven substantial U.S. population growth." (p. 19). However, even though we have had high immigration rates and our economic competitors have not, it is they who are winning in economic competition. In June 2011, for example, our deficit with Japan climbed 53 percent to \$4 billion.
- America has no shortage of smart people. In fact, it has many smart people working in jobs way below their potential and lots of other smart people without a job.
- Immigration drives population growth in both destination and source countries, and at this point in history population growth is not good for our planet.

Excerpt from "Earth Day 2018 and Sustainable Existence on our Planet"

Less Diverse Nations with Smaller Populations

Are Beating Us Economically.

This paper is about sustainable population levels, not economic competitiveness. This section will be a short digression. As written in the previous section, business claims that we have to import "smart" workers and lots of other workers to be competitive in world markets. Importing workers adds to our diversity, giving us an advantage, they say. But is this strategy working?

The following five countries have smaller populations and much less diverse populations than the U.S. but do not import lots of workers. Yet they are beating us economically, invalidating our claims that with a population of 327 million we have to import lots of workers to be competitive. (Data cited is for 2016.)

- Japan has a population about 39% of that of the U.S., but they had a trade surplus with us of \$68.9 billion.
- Taiwan has a population about 7% of that of the U.S., but they had a trade surplus with us of \$12 billion.
- South Korea has a population about 15% of that of the U.S., but they had a trade surplus with us of \$27.7 billion.
- Vietnam has a population about 28% of that of the U.S., but they had a trade surplus with us of \$32 billion.
- Germany has a population about 25% of that of the U.S., but they had a trade surplus with us of \$65 billion.

Native-born residents of these nations are the source of the computer programmers and engineers and other technical workers these nations need to successfully compete economically. Their native-born residents are also the source of the workers who do roofing and construction, wash dishes in restaurants, work in retirement homes, work in agriculture, etc. This occurs because the price mechanism in these countries adjusts and allocates sufficient wages to these jobs so that workers will do them. Such market adjustment of wages often does not occur (or usually does not occur) in the United States because of the readily available supply of low-cost imported labor. This situation has also contributed to the phenomenon of “Men Without Work” in the United States (book by Nicholas Eberstadt, 2016; the aforementioned Jared Bernstein was a commentator to this book). “Men Without Work” are among the occupants of homeless camps.