

## Better Answer to Tough Question on Jobs

**I**N THE FINAL Bush-Kerry debate, moderator Bob Schieffer asked, "What do you say to someone ... who has lost his job to someone overseas who's being paid a fraction of what that job paid here?"

President Bush promised "policies to continue to grow our economy and create the jobs of the 21st century," and then talked about improving public schools. Sen. John Kerry pledged "a fair trade playing field" and a tax code that doesn't have "workers subsidizing the loss of their own job." Neither looked into the camera and connected with that worker as Ronald Reagan or Bill Clinton might have.

A better answer would have gone like this:

"All over America, there are people who played by the rules yet are losing their jobs—some because workers elsewhere do the same work for less, others because computers do things that once only humans did.

"It is small comfort to tell them, though it's true, that we're richer today than our grandparents imagined because we haven't walled ourselves off from the rest of the world nor sought to restrain the advance of technology. It is small comfort, though true, that today's puzzle isn't that we're losing jobs—we're always losing jobs—but that for reasons even experts can't explain we aren't creating enough new ones.

"Those of us who benefit from low-cost imports—or who have well-paid export jobs that wouldn't exist if we didn't allow imports and outsourcing—must not ask those who lose jobs to go it alone. But Bill Clinton had it right 10 years ago: 'The resentment of people who keep working harder and falling further behind, and feel like they've played by the rules and have gotten the shaft, will play out in different and unpredictable ways. But our responsibility is to do what is right for those people over the long run. And the only way to do that is to open other markets to American products and services even as we open our markets to them.'"

What does this mean in practice?

Candidates need to confront those who offer slogans, not solutions. Protectionists would block imports of factory goods or outsourcing of service jobs, ignoring the likelihood that interfering with the forces of trade and technology will prevent the creation of more jobs than it will save. Free traders with secure jobs proclaim that the only way to get the benefits from open markets is to tolerate the pain of people they'll

never meet. Gene Sperling, a former Clinton adviser, offers this pithy put-down: "Protectionists have nothing to say to the future. Free traders have nothing to say to the present."

If trade and technology make us richer, then we can afford to help pay for health insurance and protect pensions forced to bear the cost. The hodge-podge of tax credits and "adjustment assistance" for workers who can link their job loss to imports isn't working; it needs an overhaul. And there is merit in what wonks call "wage insurance" that temporarily makes up some, though not all, of the gap between the wages of a lost job and those of a new one.

This will be expensive, and needs to

be designed to avoid turning healthy workers into taxpayer-supported couch potatoes. But the alternatives are costly too—able-bodied but unskilled workers finagling their way onto disability rolls, families falling out of the middle class, cheering audiences for misguided politicians who shout that the only way for Americans to prosper is to keep Indians and



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Chinese in poverty.

Such programs are derided as "Band-Aids," and they are. The U.S. government also has to get the big things right. That means pushing China and others to stop bending trade rules or manipulating currencies and pressing Europe and Japan to get their people spending so the U.S. isn't always the consumer of last resort. It means setting U.S. taxes so they cover government spending at least in good times, rewriting perverse tax laws that encourage companies to invest elsewhere and managing the unquenchable American thirst for health care without giving employers new excuses not to hire.

And, finally, comes education. Americans will earn more than foreign workers only if they're more productive, and they can be more productive only with ever-better education and skills. Education can be oversold: A college degree isn't a guarantee against losing a job to trade or technology.

But education remains, as Mr. Sperling puts it, "the best insurance policy for succeeding in the existing and future economy." That means streamlining the creaky system for getting vulnerable workers the skills still in demand in the U.S. and doing better at fixing public schools so the next generation of Americans can compete with what surely will be better-educated workers elsewhere in the world.