

Immigration Leading to Higher Unemployment According to the FED

September 19, 2024 - You're probably aware of the fact that the FED lowered interest rates yesterday by one half of one percent. It was a much bigger rate cut than most economists were anticipating and it was the focus of most of the news reporting on the announcement. But when the announcement was made, FED Chairman Jerome Powell delivered additional remarks on immigration and unemployment that have been ignored by most media coverage. And what he said was a remarkable admission that immigration is driving unemployment up.

Over the past three months, the economy has created around 100,000 new jobs each month. In normal times, that isn't enough new jobs to meet the demand. But with the southern border standing wide open and hundreds of thousands of new people flooding in, times are hardly normal. When asked about this, Powell responded by saying, "Job creation depends on inflows. So if you're having millions of people come into the labor force and you're creating 100,000 jobs, you're going to see unemployment go up." He went on to say, "We understand there's been quite an influx across the borders, and that's been one of the things that has allowed the unemployment rate to rise."

The study of economics is mostly theory. There really aren't many things that are taught as rules. But one thing that was taught as a rule in the 1980s was, "If you are a first world nation that opens its borders to unfettered third world immigration, you will become a third world nation." I doubt this is taught as a rule now. It may not even be mentioned since it doesn't seem to be in line with the political leanings of most colleges and universities today. But if you think about it, it makes a lot of sense.

Economically, even the wealthiest of nations have limited resources. And the people in those nations are vastly outnumbered by those living in poverty-stricken regions of the world. So if you throw open your borders and allow everyone to come in, your resources are going to be overwhelmed very quickly.

Some of the first signs of this are an abundance of cheap labor keeping wages low, a shortage of affordable housing which drives housing costs up, a strain on public services such as healthcare, police and government services. Does any of that sound familiar?

Powell's announcement yesterday is the first statement that we're aware of that acknowledges the financial issues being created by leaving our borders wide open and its being ignored. Virtually nobody in the press is covering it. You have to wonder why that is.

You also have to wonder why the US Government would adopt an immigration policy that only contributes to the economic misery of its own citizens.

by Jim Malmberg

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