



Globalization

The article on page 2 by Harold Meyerson appeared recently as an Op-Ed piece in the Washington Post. While one might disagree with the author's recommendations (and one could suggest many other things to do), the alarm being sounded is well worth heeding. Basically, he is saying that global outsourcing is here to stay, and that simplistic notions like, "more money for research," and, "get more education," are in and of themselves insufficient to deal with problems that will affect many millions of Americans, including chemical professionals. He uses as support for his argument a recent article by Alan Blinder, a highly respected economist and former vice chairman of the Federal Reserve Bank. As would be expected from a mainstream economist, Blinder's rhetoric is not as colorful as Meyerson's, but the article is written in easily understood English, and the analysis is sound.

The Council Committee on Economic and Professional Affairs (CEPS) has been actively following the global outsourcing issue. They would be interested in any comments or information you have to share.

Sad News

It is with great sadness that we report the recent passing of two long time supporters of DPR, and of professional relations activities within ACS at both the local and national levels. As it happens, both were active in the Chicago Section for many years. Stan Drigot passed away in January at age 90, and Nat Gilham followed in March. Both were true gentlemen, and in their quiet ways both served the ACS, the profession and their colleagues over many years. They are sure to be missed by many.

Will Your Job Survive?

Harold Meyerson
Editor at Large, *The American Prospect*

In case you've been worrying about how the war in Iraq will end, or the coming of avian flu, or the extinction of the universe as we drift into the cosmic void, well, relax. Here's something you should really fret about: the future of the U.S. economy in the age of globalization.

For a discussion of same, let me call your attention to an article in the March-April issue of *Foreign Affairs* by Princeton University economist Alan Blinder. The vice chairman of the Federal Reserve's board of governors from 1994 to 1996, Blinder is the most mainstream of economists, which makes his squawk of alarm all the more jarring. But the man has crunched the numbers, and what he's found is sure to induce queasiness.

In the new global order, Blinder writes, not just manufacturing jobs but a large number of service jobs will be performed in cheaper climes. Indeed, only hands-on or face-to-face services look safe. "Janitors and crane operators are probably immune to foreign competition," Blinder writes, "accountants and computer programmers are not."

There follow some back-of-the-envelope calculations as Blinder totes up the number of jobs in tradable and non-tradable sectors. Then comes his (necessarily imprecise) bottom line: "The total number of current U.S. service-sector jobs that will be susceptible to offshoring in the electronic future is two to three times the total number of current manufacturing jobs (which is about 14 million)." As Blinder believes that all those manufacturing jobs are offshorable, too, the grand total of American jobs that could be bound for Bangalore or Bangladesh is somewhere between 42 million and 56 million. That doesn't mean all those jobs are going to be exported. It does mean that the Americans performing them will be in competition with people who will do the same work for a whole lot less.

The threat of globalization and the reality of de-unionization have combined to make the raise, for most Americans, a thing of the past. Between 2001 and 2004, median household income inched up by a meager 1.6 percent, even as productivity was expanding at a robust 11.7 percent. The broadly shared prosperity that characterized our economy in the three decades following World War II is now dead as a dodo.

Also dying, if not yet also kaput, is the comforting notion that a good education is the best defense against the ravages of globalization - or, as Bill Clinton famously put it: What you earn is the result of what you learn. A study last year by economists J. Bradford Jensen of the Institute for International Economics and Lori Kletzer of the University of California at Santa Cruz demonstrates that it's the more highly skilled service-sector workers who are likely to have tradable jobs. And according to the Bureau of Labor Statistics, the proportion of jobs in the United States that require a college degree will rise by a measly one percentage point - from 26.9 percent in 2002 to 27.9 percent in 2012 - during this decade.

Since education as such won't save us, Blinder recommends a kind of particularized vocational ed. We will have to specialize more, he writes, "in the delivery of services where personal presence is either imperative or highly beneficial. Thus, the U.S. workforce of the future will likely have more divorce lawyers and fewer attorneys who write routine contracts." Now, there's a prospect to galvanize a nation.

My own sense (which I develop at greater length in the April issue of the *American Prospect*) is that nothing short of a radical reordering of our economy will suffice if we're to save our beleaguered middle-class majority. Every other advanced economy - certainly, those of the Europeans and the Japanese - has a conscious strategy to keep its most highly skilled jobs at home. We have none; American capitalism, dominated by our financial sector, is uniquely wedded to disaggregating companies, thwarting unionization campaigns and offshoring work in a ceaseless campaign to impress investors that it has found the cheapest labor imaginable.

So, here are three immodest suggestions:

- We need to entice industry to invest at home by having the government and our public- and union-controlled pension funds upgrade the infrastructure and invest in energy efficiency and worker training.
- We need to unionize and upgrade the skills of the nearly 50 million private sector workers in health care, transportation, construction, retail, restaurants and the like whose jobs can't be shipped abroad.
- And, if America is to survive American capitalism in the age of globalization, we need to alter the composition of our corporate boards so that employee and public representatives can limit the offshoring of our economy.

That failing, here come more divorce lawyers.

This piece appeared originally in the Washington Post, March 22, 2006. Reprinted with permission.

SEYMOUR H. PATINKIN RECEIVES HENRY HILL AWARD

Seymour Patinkin received the 2006 Henry Hill Award in Atlanta, Georgia. The award was established in 1984 by the Division of Professional Relations to recognize outstanding achievement in the area of Professional Relations. It honors Henry A. Hill, distinguished chemist and past president of the American Chemical Society.

Seymour was born in Chicago. He went to the Illinois Institute of Technology for one year, but then went into the navy in 1944 as an electronic technician's mate. He returned to IIT after the war and graduated in 1948 with a B.S. in Chemistry. Seymour worked for one year at Inland Steel Company doing coal and coke testing for making steel. He went back to graduate school and earned his Ph.D. in 1954 and was hired by the Sinclair Oil Company to work on, among other things, the process for making isoprene and long chain alcohols using Natta-Ziegler catalysts. While at Sinclair he received over 30 patents and co-authored with Bernard Friedman the chapter, "Alkylation of Aromatics with Alkenes," in the multi-volume series on the Friedel-Crafts reaction edited by George Olah. In 1966, he left Sinclair to accept a full time position at Roosevelt University. He was chair of the chemistry department 1990-96.

Seymour became active in the Chicago Section of ACS in the 1970s as a member of the Professional Relations committee and chaired the committee in 1974. He has continued his activities in professional relations both at the local and national levels, chairing the Division of Professional Relations in 2003. He has served as a councilor for the Chicago Section for 28 years and has been a member of the Membership Affairs, Professional Relations, Local Sections, CEPA, and Economic Status Committees.

-- Fran Kravitz

Councilors' Report ACS National Meeting, Atlanta, Georgia

John Borchardt and John Massingill

As part of a regular review, the Council VOTED to continue the Committee on Admissions and the Committee on Professional Training. The Committee on Admissions has the power to interpret and apply the requirements for membership, including determining status of applicants educated in foreign countries. The Committee on Professional Training promotes and assists in the development of high standards of excellence in all aspects of post-secondary chemical education, and undertakes studies important to their maintenance.

The Society ended 2005 with a net contribution from operations of \$11.6 million, which was \$9.1 million favorable to the approved budget. The favorable variance was primarily attributable to higher-than-expected print and electronic information services revenue and investment income, as well as expense savings from staff vacancies and reductions in information technology spending. The Society realized \$21.0 million in investment gains. In total, unrestricted net assets increased just over \$26 million in 2005 to \$211 million, and the Society ended 2005 in full compliance with the Board-established financial guidelines.

The Society's new vision statement, "Improving people's lives through the transforming power of chemistry," which resulted from the input of several thousand ACS members, was unveiled and discussed at this meeting.

A Program Review Advisory Group (PRAG) has been established to assist the Committee on Budget and Finance in reviewing all programs of the Society (with some exemptions) on a periodic and regular basis. The PRAG consists of councilors, members of the Board of Directors, members of the Committee on Budget and Finance, and representatives from the committees with oversight over the programs under review in a given year.

The Committee on Membership Affairs is working to submit a membership dues petition before the May deadline so it can be considered by the Council at the next national meeting. The petition would create two or three years membership dues periods with the dues being paid at the then current rate. By exercising the option to pay their dues in advance, members would lock in a lower dues rate that would not be affected by any annual dues increase until their dues again become due two or three years later.

A special discussion item was put on the Council agenda for this meeting. The discussion focused on membership – specifically, the requirements for ACS membership, and whether they should be made more or less restrictive, or kept the same. A consensus seemed to prefer opening membership to include scientists in multidisciplinary fields.

In December 2002, the Board of Directors approved a special temporary assessment to cover the costs of increased funding for divisions and local sections resulting from the Petition for Division and Local Section Funding, which was subsequently approved by the ACS Council, Board, and membership in 2003. The Board enacted the temporary assessment with the understanding that it would be reviewed each year to determine whether it could be reduced. In light of the Society's strong financial performance, the Board VOTED that, rather than enacting the assessment of \$8 scheduled for 2007, that the assessment would be reduced to \$4. 2007 is the final year for the special assessment.