

*Good golly, Ms. Mollies* — More evidence of a brain dearth at the L.A. Times surfaced in a July 27 article written by not one, but *two* Mollies: Molly Selvin and Molly Hennessy-Fiske. They report an astounding discovery by the

Census Bureau: more and more California businesses are using contract or temporary workers — contracting out tasks formerly done by in-house employees, and becoming what the Mollies disparagingly label “nonemployers,” with independent contractors instead of employees. The number of California “nonemployers” grew by almost 20% just during the period 2000–2004; growth was especially notable in the real estate, healthcare, and engineering industries.

The Mollies report that employers are replacing employees with independent contractors because it lowers expenses such as workman’s comp, paid leave, state taxes, and health insurance — all grotesquely high in the socialist paradise of California. However, many of those costs are built into the contractors’ fees, so that doesn’t seem to be the driving factor in the acceleration of contracting out. And while some employers seek to evade matching federal taxes by misclassifying employees as contractors, as the Mollies note, the IRS is very aggressive about crushing such businesses.

The Mollies omit to mention what is undeniably a major factor: the massive regulation and litigation caused by groups the Times dearly loves: various “civil rights” and environmentalist agencies, and the trial attorneys allied with them. Consider the enormous machinery devoted to civil rights and disability regulation. No employer can hire, fire, promote, or demote without being investigated by various government agencies for possible discrimination. Allied with the victim bureaucracies is an army of trial attorneys, eager to sue about wrongful termination, discrimination, disability provisions, and so on.

Now consider the state apparatus devoted to environmental regulation. Any company that wants to build new plants, dump waste materials, develop property, or do almost anything else with “the environment” faces a morass of regulations and enforcement agencies. And again there is a legion of attorneys who make a fabulous living suing companies to death for any infractions, real or imagined — witness the endless asbestos litigation.

If the Mollies really want to understand why employers are rushing to contract out jobs rather than hire employees, they ought to talk to the nearest trial attorney.

— Gary Jason