

## **San Francisco Chronicle**

### **Editorial**

#### **H-1Bs under attack**

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Protectionism may help politicians win votes at home, but it tends to make bad economic situations even worse. At this month's G-20 summit in London, President Obama pushed for punishments on countries that try to close their borders, saying that the world leaders' agreement "affirms the need for all countries to take fiscal responses ... that encourage the openness of markets."

He should have checked at home before saying anything. It's pretty hard to call the current assault on H-1B visas anything but protectionism.

Every April, the government opens a lottery for 85,000 H-1B visas. Historically, Silicon Valley's technology industry has relied heavily on these visas to provide it with the kind of skilled foreign labor that America's diminished educational system hasn't been producing. Historically, these visas go fast - there's almost always a lottery - but not this year.

This year, when the visa window closed on April 7, the government had received only about 32,500 general applications. Some of the decline is due to the recession. And some of it is due to the fact that many politicians have decided to demonize the program. It started with the stimulus package. The stimulus package requires that recipients of federal bailout funds (e.g., all major banks) show that they are not "displacing" an American worker for a foreigner with an H-1B visa, over the course of three months before the worker is hired and for three months after the worker is on the job.

There was no sound economic reason for this sort of micromanagement: These banks are enormous global enterprises, and it makes perfect sense for them to employ a global workforce. Now two senators - Charles E. Grassley, R-Iowa, and Richard J. Durbin, D-Ill. - want to extend the provisions to all firms, not just banks

Grassley and Durbin are responding to the public's anger about H-1B visas - and the idea that American companies are giving jobs to foreigners when so many Americans are out of work. But the public is going to be a lot more angry if the economy doesn't improve. And while the H-1B program may not be perfect (a 2008 government study showed that about 20 percent of a sample of applications were fraudulent or were riddled with violations), it has been a boon to American innovation and the American economy.

Take Microsoft, for instance. Over the past several weeks, the company has attracted lots of criticism because it told news outlets it would continue to file H-1B visa applications for foreign workers - even though the company announced 5,000 layoffs in January.

Grassley wrote the company a fiery letter demanding a breakdown of which jobs would be cut, and who works in them. "Microsoft has a moral obligation to protect these American workers by putting them first during these difficult economic times," Grassley's letter thundered.

Well, no - actually, Microsoft's obligation is to keep itself afloat in these difficult economic times, so that it can continue creating revenues for the American economy. And it's no surprise Microsoft would look to foreigners for help - 35 percent of the company's patent applications last year came from its H-1B and green-card employees. But these are delicate things to point out to the American public. Fearing more political demagoguery, Microsoft swiftly backpedaled, claiming that it plans to file "substantially fewer" H-1B applications this year, and adding that none of the foreigners will be replacing fired American workers.

This is more than just a political debate. The H-1B program, though small in relative numbers (**new H-1B visa holders represent just 7 out of every 10,000 workers in the United States, according to the National Foundation for American Policy**), has real impacts on our economy and our society. Foreign students and workers who might prefer to stay in the United States can, and increasingly will, return to their home countries to launch businesses. They can then compete with American companies instead of adding value to them. And when they return home, they can honestly say that America is not the land of opportunity for people like them.

Considering how important the H-1B program has been to California, it's interesting that two senators from the heartland have decided to fight it.

California's two Democratic senators, Barbara Boxer and Dianne Feinstein, need to fight back. The H-1B program is good for California and good for the country.