

The Wall Street Journal

Review and Outlook

March 27, 2006

The Other Immigrants

Lost in the heated debate about the future of millions of illegal laborers in the U.S. is that our system for admitting foreign-born professionals is also in tatters.

While globalization has increased the competition for international talent, U.S. businesses are frustrated by processing delays, long backlogs and especially the failure of Congress to increase the annual limits on visas for skilled immigrants. The Senate Judiciary Committee is scheduled to resume its mark-up of Arlen Specter's immigration bill today. And the good news is that it contains long-overdue provisions for hiring more of the foreign professionals who help keep our economy competitive.

Under Mr. Specter's proposal, the annual cap on H-1B guest worker visas for immigrants in specialty fields like science and engineering would rise to 115,000 from 65,000. Moreover, the new cap would not be fixed but would fluctuate automatically in response to demand for these visas. We don't think any cap is necessary. But if a Republican Congress feels it must impose one, the least it can do is let market forces have some say in the matter.

Another important reform addresses foreign students who want to work here after graduating from U.S. colleges and universities. It doesn't make a lot of sense in today's global marketplace to educate the best and brightest and then send them away to England or India or China to start businesses and develop new technologies for U.S. competitors. But that's exactly what current U.S. policy encourages by limiting the employment prospects of foreign students who would rather stay here.

Mr. Specter would let more foreign students become permanent residents by obtaining an advanced degree in math, engineering, technology or the physical sciences and then finding work in their field. It's unfortunate that the U.S. isn't producing more home-grown talent in these areas, and the fault there lies with our K-12 educators and their political backers who tolerate poor performance. The reality today is that the U.S. ranks sixth world-wide in the number of people graduating with bachelor's degrees in engineering. Jobs will leave the U.S. and our economy will suffer if bad policy limits industry's access to intellectual capital.

Anti-immigration groups and protectionists want to dismiss these market forces, arguing that U.S. employers seek foreign nationals only because they'll work for less money. But it's illegal to pay these high-skill immigrants less than the prevailing wage. And employers are required to document their adherence to the law.

According to a new study by the National Foundation for American Policy, our broken system for admitting foreign professionals also contributes to outsourcing. Since 1996 the 65,000 annual cap on H-1B visas has been reached in most years, sometimes only weeks into the new year. This leaves employers with the choice of waiting until the next fiscal year to hire workers in the U.S. or hiring people outside the country.

"Many companies concede," says the report, "that the uncertainty created by Congress' inability to provide a reliable mechanism to hire skilled professionals has encouraged placing more human resources outside the United States to avoid being subject to legislative winds." Last week computer maker Dell Inc. announced that it hopes to double its workforce in India to 20,000 within three years. There's another such announcement by some company nearly every day.

This weekend's big-city immigration demonstrations focused on the debate over the estimated 11 million illegals already in the country. But the U.S. labor market has also long been a magnet for highly skilled and educated foreigners, many of whom attend school in America at some time in their lives. In a world where these brains have more options than ever in Asia and Europe, we drive them away at our economic peril.