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Review & Outlook

Trump's Immigration Gift to China

His limits on foreign workers will send more U.S. jobs overseas.

President Trump's economic agenda has always been marked by a contradiction. He wants America to be the world's high-tech business hub, but then he closes off the human talent essential to stay globally competitive. That's the import of his order Monday restricting legal work visas across the economy.

The order is a pander to the restrictionist right that claims to oppose illegal immigration but really wants to stop all immigration. "American workers compete against foreign nationals for jobs in every sector of our economy, including against millions of aliens who enter the United States to perform temporary work," the order says.

The order cites 17 million jobs lost in industries that use workers tied to H-2B [seasonal] nonimmigrant visas and more than 20 million in industries requesting H-1B and L [high-skilled] workers. But this double counts lost jobs and ignores that the labor market is highly complex and segmented.

The Labor Department reported 21 million jobless Americans (including foreign nationals) in May, a 15.2 million increase since February. While enormous, this is less than the order suggests. Many businesses use different visas to fill different positions. Contractors use H-1Bs for engineers and H-2Bs for construction workers.

As the National Foundation for American Policy recently noted, the vast majority of H-1Bs—which are capped at 85,000 a year—are for computer programming. The unemployment rate for these occupations was 2.5% in May compared to 13.3% for the entire economy. The Labor Department's JOLTS survey found 122,000 information industry job openings in April, slightly more than the year before.

In 2019 Google applied for about 6,000 H-1B visas, [Apple](#) for 3,500 and [Oracle](#) for 1,900. American tech giants would fill positions with qualified Americans if they could find them.

Moderna, the biotech startup pioneering a Covid vaccine, applied for 20 visas in 2019. The Trump order exempts health-care workers who treat hospitalized Covid patients or who do “medical research at United States facilities” to combat Covid-19. What about cancer researchers?

[Qualcomm](#) sought about 1,300 H-1B visas in 2019, and [Samsung](#)’s semiconductor subsidiary in California sought 120. Would President Trump prefer that Samsung hire workers to design cutting-edge chips in South Korea? Although his order exempts foreign workers whom the secretary of State or Homeland Security determines to be “in the national interest,” this will lead to bureaucratic mediation and political favoritism like his steel tariffs.

Keeping out high-skilled foreign workers will hamstring U.S. innovation, aiding China’s effort to dominate artificial intelligence, semiconductors and biotech. The winners will be China’s national champions including Huawei, Baidu and Tencent.

The same goes for L-1 visas for foreign transfers in managerial positions or those requiring special skills, which provide multinationals flexibility to manage their global workforces and support American jobs. If companies can’t bring foreign managers into the U.S., they will move jobs abroad.

As for seasonal guest workers, H-2B visas are capped at 66,000 each year. Businesses must show they tried to hire American workers before applying for H-2B visas and pay at least the market “prevailing” wage. Good luck getting college students to change bed linens at Aspen hotels or mow fairways at Mar-a-Lago.

Even as millions were laid off in April, employers reported five million job openings including 256,000 in construction and 454,000 in leisure and hospitality. The total is two million fewer than before the pandemic, but higher than in 2014. Seasonal businesses can’t move jobs abroad so they will close or reduce operations if they can’t get enough workers.

This will have ripple effects on local economies—note that the top H-2B states were Texas, Colorado, Florida, North Carolina and Pennsylvania—and retard the national recovery. Mr. Trump’s immigration limits won’t help American workers even as they hurt American companies and the economy.

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