H-1B Visas Cost American Jobs

May 7, 2003

Republicans in Congress will soon have the opportunity to prove whether they do the bidding of their corporate contributors or side with their hardworking voters. The corporations are lobbying to extend the Clinton Administration law that raised the number of H-1B visas to 195,000 a year, which otherwise is scheduled to expire on September 30 and revert to the 1999 level of 65,000.
H-1B visas allow corporations to displace Americans with cheap skilled labor imported from foreign countries. H-1B visas are good for three years and can be extended for another three years, and nobody has any count of how many H-1B aliens remain indefinitely, legally or illegally.

Some observers estimate that there are about 890,000 H-1B aliens now working in the United States. The Immigration and Naturalization Service said that the official count of H-1B aliens is less than half of those actually in the United States because the count excludes those who were previously approved and had their stay extended and also excludes the H-1B aliens working for educational institutions and nonprofits.

It's a fiction that the United States suffers a shortage of skilled labor, and most H-1B aliens fill entry-level jobs. By far the most H-1Bs are issued to people from India, with the second largest number coming from China.

According to the U.S. Bureau of Labor Statistics, unemployment among American electronic engineers has soared to 7 percent, and among computer hardware engineers to 6.5 percent, both surpassing the national jobless rate of 5.8 percent. According to the Institute of Electrical and Electronics Engineers (IEEE), electrical and electronic engineers lost 241,000 jobs in the past two years, and computer scientists and systems analysts lost 175,000 jobs.

IEEE-USA president-elect John Steadman says he has "never heard" of such high unemployment, and that the wide-open importation of H-1B aliens has substantially contributed to the hardship of U.S. engineers and computer scientists. The result, he adds, is "a very substantial and negative effect on the economic conditions of the United States."

Corporations continue importing H-1B aliens at the same time they lay off U.S. citizens. With hundreds of thousands of unemployed American engineers, why should corporations receive special privileges to import even more foreign workers?

Corporations love H-1B aliens not only because they work longer hours for lower wages, but also because it is more difficult for them to change jobs. This system is an affront to free enterprise because the regulations confine the foreigners to their sponsoring corporations like indentured servants.

Government officials don't check for violations of H-1B regulations or determine if there really is an actual shortage of U.S. skilled workers.

The national media treat H-1B as a non-issue, but local newspapers across the country are full of reports about how American workers are laid off and replaced with foreign workers. The San Jose Mercury News found scores of complaints filed at attorneys' offices, the EEOC, and the Departments of Justice and Labor.

A Dallas database administrator said, "One recruiter flatly told me they have 50 H-1Bs willing to work cheap ahead of me in line." Another U.S. citizen who filed a complaint with the EEOC alleged that SwitchOn Networks fired him after six months and replaced him with an H-1B alien with less education and less experience, paying him $30,000 a year less.

Bob Simoni, who has an MBA from UCLA, thought he had a good job with Toshiba installing software, but all of a sudden Toshiba outsourced his division to an India-based company, Infosys, which employs H-1Bs in the United States. Simoni was allowed to stay for three weeks to do "knowledge transfer," a euphemism for training an H- 1B alien to replace him.

Computer science expert Dr. Norman Matloff provided ample proof to the U.S. House Judiciary Committee, Subcommittee on Immigration, that H-1B aliens depress wages for all workers. He cited a UCLA study that H-1B engineers were paid 33 percent less than comparable Americans, a Cornell study that found wages 20-30 percent less, and a Forbes Magazine report that H-1B wages are 25-30 percent less.

This is not free-market economics. It is collusion between corporations that pour big money into politics to pass legislation that replaces American workers with foreign substitutes. The law keeps wages artificially low for the benefit of corporate profits.

Another device used by employers to bring in alien workers is the L-1 visa. L-1s are intended to enable multinationals to transfer executives, managers and employees with specialized skills from a foreign office to a U.S. location or affiliate, but they have fewer stipulations and are easy to abuse.

Mike Emmons told how his former employer, Siemens ICN, used L-1 visas to replace 20 American computer techies with aliens from India. "Management mandated we train our foreign replacements, then Americans were shown the door. It was the most demoralizing thing I have ever experienced."

Tell your Congressman that importing hundreds of thousands of alien workers at a time of unemployment and economic recession is absurd and is an insult to Americans.