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“Skill Shortage” Racket Driving Americans From Science And Engineering

By [Paul Craig Roberts](#)

Last June a [revealing marketing video](#) from the law firm, [Cohen & Grigsby](#) appeared on the Internet. The video demonstrated the law firm’s techniques for getting around US law governing work visas in order to enable corporate clients to [replace their American employees](#) with foreigners [who work for less](#). The law firm’s marketing manager, [Lawrence Lebowitz](#), [email] is upfront with interested clients: **"Our goal is clearly not to find a qualified and interested US worker."**

If an American somehow survives the weeding out process, **"have the manager of that specific position step in and go through the whole process to find a legal basis to disqualify them for this position—in most cases there doesn’t seem to be a problem."**

No problem for the employer he means—only for the [expensively-educated American university graduate](#) who is [displaced](#) by a foreigner imported on a work visa justified by a [nonexistent shortage](#) of trained and qualified Americans.

University of California computer science professor [Norm Matloff](#), who watches this issue closely, [said that Cohen & Grigsby’s practices are the standard ones](#) used by hordes of attorneys, who are cleaning up by putting Americans out of work.

The Cohen & Grigsby video was a short-term sensation as it undermined the business propaganda that no American employee was being displaced by foreigners on H-1b or L-1 work visas. Soon, however, business organizations and their skills were back in gear lying to Congress and the public about the amazing shortage of qualified Americans for literally every technical and professional occupation, especially IT and software engineering.

Everywhere we hear the same droning lie from business interests that there are not enough [American engineers](#) and [scientists](#). For mysterious reasons Americans prefer to be waitresses and bartenders, hospital orderlies, and retail clerks.

As one of the few who writes about this short-sighted policy of American managers endeavoring to maximize their **"performance bonuses,"** I receive much feedback from affected Americans.

Many responses come from recent university graduates—such as the one who **"graduated nearly at the top of my class in 2002"** with degrees in both electrical and computer engineering and who ["hasn’t been able to find a job."](#)

A college roommate of a family member graduated from a good engineering school last year with a degree in software engineering. He had one job interview. Jobless, he is back at home living with his parents and burdened with [student loans](#) that bought an education that offshoring and work visas have made useless to Americans.

The hundreds of individual cases that have been brought to my attention are dismissed as **"anecdotal"** by my fellow economists. So little do they know.

I also receive numerous responses from [American engineers](#) and IT workers who have managed to hold on to jobs or to find new ones after long intervals when they have been displaced by foreign hires. Their descriptions of their work environments are fascinating.

For example, Dayton, Ohio, was once home to numerous American engineers. Today, writes one surviving American,

"I feel like an alien in my own country—as if Dayton had been colonized by India. [NCR](#) and [other local employers](#) have either offshored most of their IT work or rely heavily on Indian guest workers. The IT department of National City Bank across the street from LexisNexis is entirely Indian. The nearby apartment complexes house large numbers of Indian guest workers filling the engineering needs of many area businesses."

I have learned that [Reed Elsevier](#), which owns LexisNexis, has hired a new Indian vice president for offshoring and that now the jobs of the Indian guest workers may be on the verge of being offshored to another country. The relentless drive for cheap labor now threatens the foreign guest workers who displaced America’s own engineers.

One software engineer wrote to me protesting the ignorance of [Thomas Friedman](#) for creating a false picture of American engineers being outdated and for "**denouncing American engineers and other workers as 'xenophobes' for opposing their displacement by foreign guest workers.**" The engineer also took exception to the "**willful ignorance or cynicism of [Bruce Bartlett](#) and [George Will](#)**" who he described as "**bootlicks for pro-outsourcing lobbies.**"

On November 6, 2006, [Michael S. Teitelbaum](#), vice president of the Alfred P. Sloan Foundation, explained to a subcommittee of the House Committee on Science and Technology the difference between the conventional or false portrait that there is a shortage of US scientists and engineers and the reality on the ground, which is that offshoring, foreign guest workers, and educational subsidies have produced a surplus of US engineers and scientists that leaves many facing unstable and failed careers.

As two examples of the false portrait, Teitelbaum cited the 2005 report, *Tapping America's Potential*, [PDF]led by the [Business Roundtable](#) and [signed onto by 14 other business associations](#), and the 2006 National Academies report, *Rising Above the Gathering Storm*, "**which was the basis for substantial parts of what eventually evolved into the American COMPETES Act.**"[Teitelbaum's Testimony in [PDF](#)]

Teitelbaum posed the question to the US Representatives:

"Why do you continue to hear energetic re-assertions of the Conventional Portrait of 'shortages,' shortfalls, failures of K-12 science and math teaching, declining interest among US students, and the necessity of importing more foreign scientists and engineers?"

Teitelbaum's answer:

"In my judgment, what you are hearing is simply the expressions [of interests by interest groups](#) and their [lobbyists](#). This phenomenon is, of course, very familiar to [everyone on the Hill](#). Interest groups that are well organized and funded have the capacity to make their claims heard by you, either [directly](#) or via [echoes in the mass press](#). Meanwhile those who are not well-organized and funded can express their views, but only as individuals."

Among the interest groups that benefit from the false portrait are [universities](#), which gain graduate student enrollments and inexpensive postdocs to conduct funded lab research. Employers gain larger profits from lower paid scientists and engineers, and immigration lawyers gain fees by leading employers around the work visa rules.

Using the biomedical research sector as an example, Teitelbaum explained to the congressmen how research funding creates an oversupply of scientists that requires ever larger funding to keep employed. Teitelbaum made it clear that it is nonsensical to simultaneously increase the supply of American scientists while forestalling their employment with a shortage myth that is used to import foreigners on work visas.

Teitelbaum recommends that American students considering majors in science and engineering first [investigate the career prospects](#) of recent graduates.

Integrity is so lacking in America that the shortage myth serves the [interests](#) of universities, funding agencies, [employers](#), and [immigration attorneys](#) at the expense of American students who naively pursue professions in which their prospects are dim. Initially it was blue-collar factory workers who were abandoned by US corporations and politicians. Now it is white-collar employees and [Americans trained in science and technology](#). Princeton University economist Alan Blinder [estimates](#) that there are 30 to 40 million American high end service jobs that [ultimately face offshoring](#).

As I predict, and as BLS payroll jobs data indicate, in 20 years the US will have a Third World work force engaged in domestic nontradable services.

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Paul Craig Roberts [\[email him\]](#) was Assistant Secretary of the Treasury in the Reagan Administration. He is the author of [Supply-Side Revolution : An Insider's Account of Policymaking in Washington](#); [Alienation and the Soviet Economy](#) and [Meltdown: Inside the Soviet Economy](#), and is the co-author with Lawrence M. Stratton of [The Tyranny of Good Intentions : How Prosecutors and Bureaucrats Are Trampling the Constitution in the Name of Justice](#). [Click here for Peter Brimelow's Forbes Magazine interview with Roberts about the recent epidemic of prosecutorial misconduct.](#)

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