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The House of Representatives takes up a foreign investment bill today, so it's time to hold your breath. In the best case scenario, the Members will do their Lou Dobbs riff on "the selling of America," and then pass largely symbolic legislation. But the debate is taking place with an "open rule" on the House floor, which means protectionists could yet do real harm.

For their part, the voters have long ago moved past last year's Dubai Ports fiasco, with polls showing that most Americans understand the benefits of foreign investment. They can see it every day. Only this week, Toyota announced its latest plans to make cars in the U.S., creating some 2,000 jobs in Mississippi. Hyundai is locating an R&D headquarters in Michigan. And Governor Ed Rendell, a Democrat, recently boasted that Pennsylvania "has almost 400,000 people employed by foreign owned companies."

In 2005 alone, foreigners increased their investment in the U.S. by $1.4 trillion, an amount larger than the entire GDP of all but seven nations. Foreigners like our giant market, its rapid growth and, especially since the 2003 tax cuts, our higher returns on capital investment. According to Commerce Department data, last year foreigners invested roughly $500 billion more in the U.S. than Americans invested abroad.

"The United States derives substantial benefits from open trade and investment flows," concludes the latest Economic Report of the President. Net foreign direct investment "accounts for a disproportionately high share of U.S. exports" (19%), physical capital expenditures (10%), and R&D spending (13%). This investment also accounts for five million American jobs paying well above the national average.

Open U.S. capital markets allow Americans to invest in growing foreign companies as well. From 1997-2005, American shareholders have tripled the net value of their ownership of foreign firms, to more than $3 trillion. Nokia may be based in Finland, but some 55% of the cellular phone company's shares are owned by Americans. Capital Group, a U.S. asset management company, recently became the largest single Nokia shareholder. Limits on foreign investment here will only invite retaliation abroad.

The protectionists can't really rebut any of this, so instead they play up the "security" angle. And there is no denying that some foreign takeovers deserve to be scrutinized on national security grounds. That's precisely what the executive branch now does via the Committee on Foreign Investment in the United States, or CFIUS, an interagency group that has up to 75 days to inspect transactions. A handful are changed or disapproved, but 94% of all foreign investment in the U.S. is made by European and other OECD nations that are hardly a threat.

In the wake of the Dubai Ports debacle, the Bush Administration is already making CFIUS review too stringent. **A new study by the National Foundation for American Policy** finds that in the last year the "process for securing approvals within CFIUS has grown more difficult and uncertain for foreign investors" with a tripling in the number of investigations and a doubling in the number of withdrawn mergers.

A dangerous precedent was set last year in the $11.6 billion sale of Lucent Technologies to France's Alcatel, when the Administration asserted an authority to revisit a deal even after it was approved and the merger had taken place. Perhaps Administration officials should read their own White House economic report.

As for this week's House vote, the Democratic bill does less damage than Republicans threatened to do last year. On the good side, it would restrict an Administration's ability to re-open CFIUS reviews after they've been closed, reducing the chances of political double jeopardy. On the bad, the bill would require more careful regulatory scrutiny when U.S. assets are sold to foreign enterprises that are government-owned. That involves only about 5% of all such sales, however. More Congressional scrutiny or longer delays were wisely dropped from the bill.

The real danger is the threat of floor amendments from protectionists in both parties. California Republican Duncan Hunter has one of the worst ideas with his proposal to prohibit the sale of any "critical infrastructure" to foreigners. That's a definition so elastic it could include just about everything -- which is what Mr. Hunter wants. If any such provisions get through the House, they deserve a veto.