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## **Let the Chips Fall** **by Scott McPherson**

According to the August 11 *Washington Times*, in a story titled “How visa program robs U.S. technology workers of their jobs,” American computer programmers are finding it harder and harder to stay employed because of the “unintended consequences of the nation’s non-immigrant visa program — particularly the L-1 classification. The L-1 allows companies to transfer workers from overseas offices to the United States for up to seven years [and] lets companies continue paying workers their home country wage.”

The nerve!

To make a long (and very old) story short, American computer programmers — who make an average of \$60 per hour in wages and benefits — are being gradually replaced by foreign computer programmers. By making use of the L-1 program, corporations such as IBM, Hewlett-Packard, Cisco Systems, and Microsoft, are now getting their programmers for about one-sixth of the usual price.

Not surprisingly, hi-tech workers are unhappy — one even said he was “disgusted” by the visa program. Even less surprising, a member of Congress is getting involved. Rep. Rosa DeLauro, a Connecticut Democrat, wants to set a limit of 35,000 L-1 workers nationwide. (There is currently no limit.)

The free market brings innovation, productivity, diversity, and ultimately consumer satisfaction. Americans love these benefits and have been the greatest and the longest-running benefactors of capitalism in the history of the world. But they too often forget that economic progress requires *efficiency*. That means getting the most effort for the least expenditure.

Though Americans as *consumers* like the result of this system — cheaper and better products, and more choice in their products — as manufacturers and workers they prefer to appeal to what the psychologist Nathaniel Branden called the “Divine Right of Stagnation.” In short, they want “their” jobs by right, and will try to cut out of the market anyone who can produce for less — their competition.

Naturally, this requires government intervention in their behalf.

The trouble is, these jobs aren't theirs to be protected or defended by government. When an employer offers a job, he is offering monetary compensation in exchange for a particular service to be performed. This is a simple *contractual* relationship.

It may come as a surprise to most people, but this arrangement in no way implies a transfer of ownership. The job still belongs to the employer — the labor is the property of the individual worker — and despite any claims to the contrary, the employer should be left to grant, withhold, or alter the terms of this relationship without question. Just as employees are now free to do.

The L-1 visa program serves two important functions in the American economy. On the one hand, it is a “loophole” (note that the economist Ludwig von Mises called loopholes “remaining freedoms”) which allows the computer market to perform a vital function — efficiently using resources. Money not spent on a more expensive native programmer can be channeled towards satisfying other needs. This provides a net benefit: an important job still gets done, with resources left over that will then be directed to *their* most efficient use. The final step in the process is, of course, greater consumer satisfaction.

Secondly, by allowing companies to pay workers a lower wage, L-1 visas also serve a moral purpose. American firms have an absolute right to offer whatever wage they wish, and to whoever is willing to do the job for that sum — even a foreigner.

Rather than put a cap on L-1 visas, we should be opening our entire economy to the kind of competition now taking place in the computer industry under the L-1 program. One day we might even return to the days of genuine free trade in labor.

The first word in “free market” is still “*free*.” The L-1 visa program is not some sinister conspiracy designed to take away Americans' jobs — it represents the remains of an economic system that once recognized the benefits of rigorous competition and the morality of economic liberty.

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This article was originally published in September of 2003.