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***he Issue that Will Not Die***

Once again, immigration emerged in a presidential campaign — when President Obama reversed his position and issued an executive order to allow young (less than 30-year-old) illegal immigrants who were brought here as children to receive a two-year deferral from deportation and the right to apply for a work visa. Governor Romney kept trying to formulate his position on the issue, a position that appeared to be a case for increasing legal immigration while further discouraging illegal immigration.

During the past several decades, our national government has failed to fix a clearly dysfunctional immigration system. The last attempt at comprehensive reform, crafted under the Bush administration, failed to pass Congress despite bipartisan support. Obama may have played a spoiler role on the bill.

In any case, despite having had complete control of Congress for two years, he failed to get any bill passed — indeed, he never even introduced one — though he had promised to push comprehensive immigration reform. Under his administration, immigrant deportations have gone up about 30% from Bush's second term, and double the rate of Bush's first term.

In this essay, I will sketch some answers to the following questions: is immigration still vital? Why does our immigration system need reform? Why is getting comprehensive reform difficult? What might a satisfactory solution look like, from a classical liberal point of view?

***A Conflict of Visions***

In the matter of immigration, as in so many other "hot-button" issues in politics, you cannot understand the positions — and the passions — of both sides unless you understand that there is a fundamental conflict between two politico-economic visions, or ideologies, if you will: the *populist* view and the free market or (better) the *classical liberal* view.

Populism regards free-market activity as inherently dangerous to society. To this way of thinking, the populace, the masses, aren't individuals freely living together out of mutual convenience; they form an organic whole — a folk, a community, a people, a culture — that transcends the individuals within it. Free-market activity, based obviously and openly on self-interest, is considered destructive to the organic community.

Evolution explains this aspect of populism: humans evolved as a species whose members formed small tribes, working together with a degree of cooperation almost unique among animals. Tribalism helped the species flourish; it also produced such problems as intergroup warfare. Populists, however, are bent on protecting the tribe. They feel that the populace, the average people, need to be protected from powerful groups (merchants, capitalists, the bourgeoisie, illuminati, Trilateral Commission members, whatever), or from other tribes (other races, other nations, and so forth).

Populists accordingly tend to oppose free trade ("protectionism," in the narrow sense). They also tend to oppose large-scale companies (especially multinational ones): "big business." They tend to oppose the accumulation of large amounts of capital by individuals and especially by investment companies: "fat cats," "malefactors of great wealth." And they tend to oppose allowing large-scale immigration, especially of ethnic or religious groups markedly different from the majority of the populace. This is often termed nativism, but because that word has acquired an unfavorable connotation that is in many cases unwarranted, I will use the term "anti-immigrationism."

Classical liberals usually hold the opposite views, right down the line. They favor free trade. They harbor no opposition to large or multinational corporations or to the accumulation of capital *per se.* It is, after all, rather difficult to have capitalism without capital. And they tend to favor the free flow of labor, as they do the free flow of goods.

Some have suggested that there is an opposition between populism and statism. I regard this as a capital mistake, when viewed either analytically or observationally.

Analytically: who generally needs to resort to government coercion? It is those who seek to "protect" the populace. Free trade is as natural between nations as it is between people within a community, and for the same reason: we all naturally "truck and barter," as Adam Smith put it — we all seek the best goods and services we can get, for the lowest price. Coercion is necessary if one wants to block this tendency. When business flourishes, it is natural for wealth to accumulate disproportionately in some hands, but populists want the government block this accumulation. And it is natural that some people will want to move wherever living conditions are better for them. It is typically the populists who want the government to stop new people from coming in.

Observationally: what does history show us? Precisely that some of the most perniciously statist regimes were the fascist and communist ones — regimes typically sold on populist grounds.

In the American context, populist sentiment informs both major political parties, for each is a coalition of disparate groups, and there are elements of each coalition that have populist affinities.

Populism is found in the Democratic Party coalition in several areas. Labor unions — both the rank-and-file members as well as the leadership — almost always deeply oppose free trade. Anti-immigrationism is common among the union rank and file, and also among African Americans, who often view waves of immigrants as direct competition for jobs and political power. (However, we should note that some union leaders support immigration, either to strengthen the Democratic coalition, which supports their empowerment, or out of hope to organize the new immigrants.) Many environmentalists oppose immigration, feeling that overpopulation is ruining the ecosystem — an ecosystem that belongs only to the tribe. And working-class and poor Democrats tend to envy the rich, wanting to take from them whatever possible.

Populism is also found in the Republican Party coalition. Many social conservatives, especially evangelical Christians, have been anti-immigration out of a religious aversion to Catholics and Jews. Many social conservatives believe that recent immigrants are refusing to assimilate, with a multiculturalist government acting as their enabler (offering ballots in foreign languages, for example). Moreover, national security conservatives view with alarm the rise in the number of Muslim Americans, fearing potential terrorists. Many so-called "pro-business" conservatives fear multinational corporations.

The fact that the American political system is built around two major political parties, both of which are coalitions containing highly populist major constituents, helps explain why immigration reform has been hard to achieve. It is hard for either party, when actually holding power, to get the job done, because not only will the populists of the other party oppose reform, but their own populist wing will fight them as well.

Let me be clear that while I am an advocate of classical liberalism, I certainly do not believe that every issue can be settled on ideological grounds. For example, feeling comfortable with multinational or huge corporations in general does not mean that corporate crime should be ignored or excused. And specifically, I recognize that a free-market supporter might oppose contemporary immigration, out of, say, the feeling that modern immigrants vote in such a way as to undermine the free market. I address this point at great length below.

***The Unpleasant History of Anti-lmmigrationism***

Contemporary opponents of immigration make a fair point: their actual arguments deserve to be addressed honestly and not dismissed on the basis of what past people (who had similar objections to prior immigrants) may have done. In logic, there is a term for the fallacy of dismissing an idea solely on the basis of its origins: the genetic fallacy.

However, if history shows that similar arguments were used in the past and were falsified by subsequent events, that would seem to raise the burden of proof on those making similar arguments now. At a minimum, they have to point to differences that explain why the same argument that failed to prove accurate in the past is likely to hold now.

My point here should be understandable especially to classical liberals, who argue that social and economic problems are usually best addressed by the spontaneous order in society rather than massive governmental intervention. We often argue for this view by pointing to the fact that before the rise of the huge federal welfare state, these problems were solved by private action by private individuals and groups.

Since the history of anti-immigrationism is easy to research on the internet (you can just start with the Wikipedia entry on nativism and move on from there), let me just highlight some points.

Start with the observation that anti-immigrationism is a political position or stance that springs up especially in a country or society that faces a rapid influx of people from foreign to it. Countries that are composed primarily of immigrants (such as Australia, Canada, New Zealand, and the United States) are no less prone to anti-immigrationist movements that are other nations. Indeed, they may even be more so, because a sort of "compassion fatigue" that sets in.

Despite the fact that restriction of immigration into the American colonies by the British government was explicitly listed as one of the justifications for breaking away from Britain in our Declaration of Independence, nativist sentiment developed early on.

A very big spur to nativism was Protestant fear of the growth of Catholicism. This was behind opposition to some German immigration in the 1820s, and then to the large influx of Irish in the 1830s to the 1860s. During this period, something like 5 million Catholics entered, while the population of the country grew from about 10 to about 30 million.

Spurred specifically by the influx of the Irish, in 1850, nativists formed the Order of the Star Spangled Banner (the "Know Nothing" movement). The crucial requirement was to be Protestant. This was the basis for forming a new political party, the American Party. During this period there were intermittent attacks on Catholic churches and individuals, some of which resulted in deaths. U.S. Grant actually joined the party in 1855, feeing that immigrants cost him a shot at being a county engineer. Native-born citizens resented the Irish, and considered them doomed to be poor and a drag on society.

How well have the Irish done? By 2006, Irish-Americans households averaged $54,000 (compared to the national average of $48,000). 31% of Irish-American adults had a college degree, compared to the national average of 27%.[[1]](#footnote-1)

One might argue that some immigrant groups have done poorly. For example, if you consider blacks as immigrants — an odd usage of the term, since they arrived with the original British settlers, so were in fact co-founders of the country, so to speak — then, no, they haven't economically outpaced other groups. But for over a century they were slaves, and even after emancipation were subjected to profound discrimination until very recent times. Over the last half-century, they have done much better. Moreover, recent black immigrants — say, from the Caribbean — have done well economically.

Anti-German sentiment lasted from 1840 to 1920, especially with the influx of German Catholics beginning in 1840, with concerns over the Germans' tendency (then) to congregate separately, have their own schools, keep their language alive, and drink beer(!). In World War I there was widespread suspicion of the German-Americans, and in Australia the Germans were put in internment camps.

Opposition to Chinese immigration was pervasive at the end of the 19th century, culminating in the Chinese Exclusion Act of 1882. From the vantage point of current anti-immigration sentiment, this is ironic: limiting the Chinese led to an increase in Mexican immigration into the US, as the railroad industry needed the labor to build out its network of track.

Even more ironically, blacks — the historic victims of much discrimination — widely opposed Chinese immigration in the 1880s. One black newspaper wrote at the time, "There is no room for these disease-breeding, miserly, clannish, and heathen Chinese."

From 1890 to the early 1920s, the focus of nativist wrath switched to the influx of Central and Southern European immigrants, especially Catholics and Jews. The resurgent Ku Klux Klan exploited this sentiment from its "rebirth" in 1915 to its spread in the early 1920s, and was a large-scale movement, hitting as much as a 5 million enrollment. These voters made their preferences known to the politicians.

During this time, nativism and racist eugenics were intertwined, with key players in the eugenics movement pushing against immigration.[[2]](#footnote-2) The large influx of Italians, Poles, Slavs and Jews aroused the ire of those who believed only "Nordic" Europeans were worth allowing in.

In 1924, Congress passed an act that lowered the quota of immigrants to less than 165,000, that is, it virtually ended immigration. One of the major arguments pushed by labor unions, among others, was that this influx was resulting in high unemployment and driving down wages.

The arguments made regarding the immigrants at that time have a familiar ring: the immigrants created a lot of crime and refused to assimilate well.

Of course, most waves of immigration did bring in immigrant criminals. There were Irish gangs, Chinese gangs ("tongs"), Jewish gangs, Italian gangs, and so on. But the vast majority of immigrants did not engage in criminality (indeed, many became police officers devoted to fighting crime), . And each wave of immigrants assimilated well.

More recent waves, such as the influx of Cubans into South Florida after the rise of Fidel Castro, and the Vietnamese influx after the fall of South Vietnam in 1975, have also assimilated well on balance.[[3]](#footnote-3)

Now, in every case, while various other arguments were given, two arguments were constant.

First, "these people" will steal jobs from (or work for so little that they would drive down the wages for) the native-born workers. This argument was used even against the Irish, the Chinese, Eastern Europeans, and many (if not most) other immigrants. Second, they are "strange" or "clannish" people who don't fit in and whose allegiances are elsewhere (so presumably pose a threat to the country).

However, the historical reality is that the country managed to handle each wave of immigration, and overall per capita prosperity increased dramatically throughout the whole time (within the usual business cycles, of course). In fact, by the outset of World War I, if not before, America was the richest and most powerful nation *in the history of mankind*.

I am not saying that since the immigrants arrived and the economy thrived, therefore the immigrants were the reason why. (I will, however, support separately the claim that immigration does actually help an economy, below.) All I'm suggesting is that the fact that such massive immigration was conjoined with such a massive increase in wealth in the past is evidence against the claim that immigration *hurts* the economy. Moreover, the elimination of immigration in the mid-1920s did nothing to stop the Great Depression, and it may have helped bring it about.[[4]](#footnote-4)

In sum, the history of large-scale American immigration is one of broad assimilation accompanied by a rapid growth in national prosperity, albeit with some gang activity — but activity that eventually dies down, even if it doesn't disappear entirely.[[5]](#footnote-5) So immigration seems to have been broadly benign at worst, and more likely broadly beneficial over the long term. And again, to take consequentialism seriously is to look to the long term. I would suggest that the burden of proof falls on the modern anti-immigrationist to explain why things are so different now that we ought to halt immigration.

To be fair to such folks, they do offer reasons for their positions, ones we will examine in a moment.

***What the Natural Rights Perspective Tells Us***

The history of nativism is a history of exaggerated fears. Many classical liberals would say, "But of course! Open borders allow free mobility of labor, which benefits consumers by lowering prices for the goods they pay." Yet making the consequentialist case for open immigration turns out to be tricky, as we will see below. So some classical liberals try to short-circuit the discussion by using only natural rights arguments for open borders.

Two such arguments are routinely put forward.

First, some have argued that all human beings have a moral right to mobility, i.e., that all people have an innate right to flee a repressive or otherwise dysfunctional state. This right, it is alleged, entails for the rest of us the duty to let people cross our national borders and settle here. To stop them would be to employ coercion by keeping them in places where they don't wish to remain.

When I hear this argument from hardcore libertarians, I am invariably puzzled. Such people (who consider themselves the purest of free-market advocates) should be the first to see the flaw in the argument: it confuses negative and positive rights.

In essence, negative rights are rights that entail on others the obligation not to *hinder* an activity. To say that you have the negative right to free speech means only that other people have no right to stop you from speaking. Positive rights (about the existence of which classical liberals are rightfully doubtful) entail upon others the obligation to, if necessary, give their lives or property to *enable* some action. To say you have a positive right to free speech would mean that other people would have to buy you a TV station or some other medium to enable you to transmit your views. But that would violate those other people's right to keep their property.

It seems clear from this discussion that a classical liberal should agree that any person has the right to leave his country, unhindered — but that is only a negative right. It entails upon us only the duty not to stop him. It does not mean that we have the positive duty to provide him residency in our own country. That is analogous to saying that I don't have the moral right to keep you from leaving your house, but I surely am not obligated to give you a room in mine.

The second rights argument concerns the right to enter into contracts. If I want to hire Fred to do a job for some price and Fred wants to do it for that price, it is at least *prima facie* clear that nobody has the right to interfere. Indeed, all free exchanges between autonomous agents are *prima facie* ethical from any perspective, not merely the natural rights one. Now, hiring people is simply exchanging your money for their labor. What difference does it make whether Fred comes from here or abroad?

But there are several requirements for free exchanges to be ethical. Two are obvious. First, the product or service must itself be ethical or legal (supposing that you take "rights" to be moral or legal). You couldn't say that my hiring Fred at a mutually satisfactory price makes the hiring within our rights if, say, Fred is a doctor whose license has been revoked and I am hiring him to work in my hospital, on patients unfamiliar with his status. That would at a minimum seem to say I cannot hire Fred if he is an illegal immigrant (under laws morally enacted).

Second, the exchange should not violate the rights of others — should not cause "negative externalities," that is, harm people not party to the transaction. If I hire Fred to paint my house, and he does a good job at a low price, but dumps toxic waste on Sue's property, the transaction is unethical from the natural rights perspective (because it violates Sue's rights to life and property), or any other ethical perspective, for that matter.

In what ways may immigration hurt (in the sense of violating the rights of) others?

This can be tricky. For example, if I am a bricklayer, and after talking to me about what I would charge to do the job you want done, you decide to hire Fred because he charges less, am I "harmed" by the exchange between Fred and you? I am, in the sense that I didn't get a job I wanted — but then it wasn't a job I had a right to in the first place. But if Fred is from another country, does that change things? And if so, why?

This topic — in essence, how to view nationalism from a classical liberal perspective — is worthy of a book unto itself. But it seems at least *prima facie* clear to say that my fellow citizens have a moral right to my support in the form of loyalty.

*Prima facie,* the fact that I grew up in this country, that my fellow citizens protected me, together with the fact that I have the right to leave at any time (a right denied to their citizens by many other countries), entails upon me the obligation to obey its laws, and to fight for it if it is existentially threatened. These are my duties toward the nation, which is simply an aggregation of individuals.

You might also plausibly say that my fellow citizens are entitled to preference in some of my actions. If a cruise ship goes down, and I am on a raft, and two individuals are drowning, of whom I can rescue only one, and I know of them only that one is American, and the other isn't, it is at least plausible to claim that I should rescue the American.

More relevant to the topic of this essay is the question of whether I have an obligation to my individual fellow citizens to give them some kind of preference *in my consumer choices* (and to expect them to reciprocate). The feeling that we should, as loyal citizens of a country, prefer our fellow citizens in commercial trade is so intuitive that we find it expressed in a bumper sticker: "Buy American!"

If we did have such an obligation, it would seem to provide an argument against allowing immigration — and against foreign trade, as well as automation, for that matter. For it would seem to suggest that since bringing in a competing non-American worker (or buying from a foreign company, or replacing an American worker by a machine) would hurt an American worker, immigration (and free trade and automation) violate our patriotic loyalty.

Yet I don't think we have any such obligation. I also think it is easy to see why, if we remember a basic maxim of ethics: "ought implies can." This means that to say "person X ought to do A" presupposes that X can, in fact, do A. It would make no sense to say that I am morally obligated to end poverty today, because it is utterly impossible for me to do so.

Now let's consider this concept of "buy American." Suppose that Fred and Ted, whose sole relationship to me is that they are my fellow Americans, have both built cars. Does the fact that Fred is an American obligate me to any degree to buy his car? No, because in buying his car, I am perforce not buying another American's (Ted's) car. To favor Fred is to disfavor Ted, and both are equally American.

Would it make a difference if I were choosing between Fred's car and Hans's, if Hans is a resident citizen of Germany? No, because if I buy from Hans, I will have to buy his car with American currency, which means that Hans in turn will (directly or indirectly) have to spend or invest in America, which in turn will give preference to some other (unseen) Americans. As in the previous case, I am favoring one American but disfavoring another — the only difference being that the disfavored person is seen in the one case, and unseen in the other. (I am using terminology borrowed from Frederic Bastiat, to whom I will return.)

However, we don't need to think too deeply about such subtle questions, because there are obviously things about modern American immigration that clearly violate the rights of others. One was cited by Milton Friedman, who said, "It's just obvious that you can't have free immigration and a welfare state." The point is that if you bring Fred from abroad to work for you and he begins drawing welfare benefits, of course this harms other people, to wit, the taxpayers. Specifically, to the extent that Fred takes more out of the welfare system than he pays in, his migration results in violating the property rights of taxpayers.

It seems clear that any welfare state that allows open borders will draw in people who receive benefits at the expense of other residents. Common sense would suggest that under these conditions the poor are most likely to immigrate, and more likely to exploit welfare programs than the average (i.e., native-born) citizen.

Some classical liberals reply that this is a good reason to end all welfare. Perhaps, but it merits two equally quick replies: how likely is it that the modern welfare state will disappear anytime soon? And doesn't that mean that *until* all significant forms of welfare are in fact *totally* eliminated, *no* immigration, or at least, no people who are possibly going to take welfare of any sort — which, in our society, means everybody, since everybody is covered at least by Social Security and Medicare — should be allowed?

One last point regarding natural rights ethics and immigration should be mentioned: the sword cuts both ways. The right to exclude immigrants — including stopping immigration completely — can be defended on the basis of natural rights, in particular, the right of free association.

If my friends and I decide to form a club, it is *prima facie* our right to do so, and we have the right to exclude anybody we please. If Fred wants to join, and we don't want to let him in, it is again *prima facie* no violation of his rights to say he cannot join. As long as we don't interfere with Fred's right to form his own club, or to join other clubs willing to let him join, we are well within our rights.

And it seems *prima facie* equally justified for the citizens of a democratically governed nation to exclude anybody they choose.

The conclusion is that natural rights ethics does not automatically support the claim that the mobility rights of the downtrodden and suffering poor of the earth dictate open borders. After all, if there were such rights, they would mean that everybody in the world should be perfectly to move here, no matter whether (for instance) they paid any taxes or not. Instead, it tells us that at a minimum, immigration should be legal and not harm the legitimate property rights of others.

So if we are to make a compelling case for free or even heavy immigration, consequentialist considerations simply must be entertained.

***Criticism of Recent Immigration***

The most recent wave of immigrants, consisting predominantly of Hispanic (mainly Mexican) immigrants, has roused a new wave of anti-immigrationism.

The new anti-immigrationism has more able writers expounding it than older varieties had. They include a group at the Manhattan Institute, such as Myron Magnet, Victor Davis Hanson, Heather MacDonald, and Steve Malanga. Also among the sophisticated anti-immigrationists are Robert Rector of the Heritage Foundation, and such academics as Samuel Huntington and George Borjas.

Contemporary anti-immigrationists differ in what they want done. Some, such as Peggy Noonan, have called for a halt to immigration to give time for assimilation. Others, such as J.D. Hayworth, have urged deportation of all illegal immigrants. Still others, such as Don Goldwater, have actually called for internment camps for illegal immigrants, who would be used as forced labor to build a fence along the southern border.

Let's review the major reasons that contemporary anti-immigrationists typically offer to show that widespread immigration should be halted. I will use a nice survey piece on the subject by Myron Magnet. His piece is all the more powerful because, as he notes, the magazine he edits — the estimable *City Journal —* long supported extensive immigration, before "flipping" a few years back and opposing it. (The Heritage Foundation also "flipped" along the way.)

Reading the piece (and other contemporary anti-immigrationist writings), you see four major areas of concern about the most recent wave of immigrants: the problem of illegality; the problem of the economic costs of immigration; the problem of the social costs of immigration; and the problem of the environmental costs of immigration. Let's take them in order.

The first problem is that unlike all previous waves of immigration, which occurred in compliance with existing law, most of the recent wave of immigrants is illegal. The total has reached a high of over 12 million illegal immigrants, down recently to perhaps 11 million (since the onset of the recent recession and slow recovery). This illegal immigration followed the compromise bill of 1986, which legalized virtually all the 2.7 million illegal immigrants of the time (i.e., gave them green cards, or permanent legal residency).

Here is an undeniably reasonable point, and I suspect it is a big cause of the anti-immigrationist antipathy that killed the Bush immigration reform bill.

The second problem raised by contemporary anti-immigrationists concerns the economic costs of immigrants.

Unlike earlier waves of immigrants, this recent (primarily Hispanic) wave came after the major expansion of the welfare state that occurred in the 1960s and 1970s, giving immigrants a myriad of welfare programs that didn't exist before.

Legal permanent immigrants (green card holders) are eligible for a host of welfare benefits (unemployment, aid to families with dependent children, school lunches, etc.), and illegals seem to have little difficulty in fraudulently obtaining these benefits too. Moreover, their children are educated at public expense (though the increased education may later result in those children earning higher incomes than they would if left uneducated, upon which incomes those children will pay taxes if they become legal, as they often do).

Magnet reports that Catholic priests in Hispanic areas routinely help sign up Hispanic immigrant families for every benefit possible.

Magnet quotes Robert Rector's famous (or infamous) 2007 study that helped kill immigration reform by showing that low-skilled immigrants (legal or illegal) consume, on average, $20,000 more annually in government resources than they contribute in taxes.

Hispanic immigrants are disproportionately low-skilled; indeed, Magnet claims that they are lower skilled even than the immigrants of the 19th and early 20th centuries. But today's economy is progressively more epistemic or knowledge-based. Only a few industries have benefited from cheap manual labor (nanny services, home repair, agriculture), and even then it has been a "mixed blessing," since it has "retarded mechanization."

The flood of cheap labor has lowered wages for unskilled native-born workers by 8%. Though Magnet doesn't tell us where he got this figure, it is more than likely from the work of George Borjas, an economist who has published many papers that seem to show a correlation between extensive low-skilled immigration and the lowering of native-born low-skilled workers' wages. (See, for example, his paper on how an increase in low-skilled immigrants is correlated with lower wages and higher incarceration rates for blacks.)

Recent immigrants notoriously send much of their money back home.

The third problem raised by contemporary anti-immigrationists is the social costs of the recent wave of immigrants. The concerns involve crime, lack of assimilation, and the "swamping" of communities.

Magnet claims that recent immigrants are more inclined to crime, and have lower stores of "social capital: strong families, self-reliance, entrepreneurism, a belief in education," and a belief in the future of America, than earlier immigrants. He notes that 30% of federal prisoners in the year 2000 were foreign-born. In 1998, 30% of California's population was Hispanic, but 42% of its new prisoners were. Cops in New York report that in heavily Hispanic neighborhoods, an estimated 70% of criminals are Hispanic.

Hispanics have about double the rate of unwed pregnancies that whites do.

Hispanics have moved disproportionately to certain areas of the country and have "swamped" the communities, resulting in whole parts of cities becoming essentially "Little Mexico Cities." This puts pressure on the local school systems, which are failing in California.

Large clusters of foreign-born people in a given area decrease "social capital," that is, make people less trusting, less willing to help other people, and so on. This is a point most famously explored by sociologist Robert Putnam, whose research shows that areas of high immigrant population have the lowest levels of social trust. (It is important to note that Putnam himself supports immigration.)

The fourth problem that concerns many contemporary anti-immigrationists (though not one mentioned in Magnet's piece) is that America is running out of room for all these teeming hoards of immigrants. They consume too many resources for our poor land to support. As Jason Riley notes in his pro-immigration book, *Let Them ln,[[6]](#footnote-6)* there has long been an affiliation between the environmentalists and the anti-immigrationists, one going back to the founding of that uber-environmentalist group, the Sierra Club (ironically founded by an immigrant).

***Rebuttals to These Criticisms***

I think the case put forward by Magnet and like thinkers is nowhere near as compelling as it superficially appears to be. Indeed, much of it is just silly. To explain why, let's briefly review some basic logic and classical liberal economics.

Start with the logic. The correlation of A and B doesn't by itself prove that A causes B. You have to rule out other possible explanations (preferably by a control group experiment). Otherwise you simply have a correlation fallacy. So, for example, to say that illegal immigration from Mexico accelerated as American welfare programs expanded in no way proves that the latter caused the former. As we will see, there are other more plausible explanations, and the correlation is spurious anyway. (Of course, this does not mean that illegal immigrants never receive benefits, or that it is no problem if they do. As I explain in the final section of this piece, the system I propose would allow more open immigration, but only for those who will not access welfare.)

Now consider some economics. Bastiat, in his classic essay *That Which is Seen, and That Which is Not Seen,* suggests that what makes for good economic analysis (as opposed to the economically ignorant thinking of the average person) is the effort to look for the less obvious effects of an action when calculating the costs and benefits it brings. Consider everyone affected, and consider the long-term unintended consequences as well. If a window is broken, you see the owner of the house being forced to give a job to a repairman. It looks as if the broken window had "created" work. But you don't see that had the window not been broken, the homeowner could have bought a pair of shoes, thus employing a shoemaker. And in that case, the homeowner would have both a functioning window and a new pair of shoes.

Similarly, saying that a nanny from Mexico "took" a job that a more expensive native-born nanny held or might have held doesn't mean that society has lost anything. The Mexican nanny will have money to spend, and the mom will have extra money to spend on her preferences, which will create jobs elsewhere that native-born workers (possibly including the ex-nanny) can fill.

Let's now consider the four objections to the recent wave of Hispanic immigrants in order.

What about the first problem, that other waves of immigrants were primarily legal? Well, to the point that we should only allow people to enter this country legally, *I wholeheartedly agree* ... that much is clear just from our natural rights analysis. But I would point out some things that lessen the force of the objection.

First, most prior waves of immigrants faced few legal hurdles, so obeying the law was rather easy for them. Through much of the 19th and 20th centuries, you just bought a ticket, took a boat over, and stepped onto American soil; then you were legal. That is one (though of course not the only) reason why our population exploded so rapidly. While there was some risk in making the passage in sailing vessels, with the rise of steamships the risks became minimal. No capital, employment, or other requirements were imposed, except freedom from certain diseases.

Even in the early 20th century, when immigrants were processed through Ellis Island, the authorities were primarily looking to turn away people with communicable diseases or a criminal background. Only about 1% of incoming immigrants were rejected.

Moreover, one reason there is so much illegal immigration is likely that legal immigration levels are set way too low. Until recently, the sheer demand for labor was so great that it drew people across the border. This is an argument for making immigration easier, since the general economy will grow wealthier if productive enterprises can efficiently access labor (which, like capital, is essential for most industry).

And the reason illegal immigration was easier for Mexicans was that Mexico shares a long common border with us — not some greater innate propensity for law-breaking than was found in earlier waves of immigrants.

Maybe one reason Hispanics felt for so long that it was no big deal to cross the border illegally is because there were periods when *we* didn't think it was either. We didn't enforce the laws very strictly for many years (following the policy of "catch- and -release", common in the '60s and '70s, though not in the '50s and not over the past decade or so). Deportations soared in the second Bush term, and then soared even higher during Obama's term in office.

I would add that the recent wave of Hispanics appears to be a consequence of factors not likely to recur. It looks like a "one-off' event. As late as the 1960s, Mexican women gave birth to an average 7 children each. By this decade, the rate had dropped to 2.3 per woman, or not much above the replacement level of 2.1. (America's rate was below replacement levels for quite some time, but recently hit 2.07. About this, I will add more below.) So a rapid build-up of Mexicans, coupled with the weak Mexican economy and their physical proximity to America (in the absence of a mandatory e-verify law, about which more below), is what led to such massive crossing of the border. There is clear evidence that the number of attempted crossings has plummeted in the face of, among other things, more work in Mexico over the last decade.

In fact, the number of Hispanic immigrants has been plummeting for a decade. As a recent amazing Pew Center report ("The Rise of Asian Americans") notes, 2010 marked the first time that there were more Asian immigrants than Hispanic ones.

Finally, most serious crimes such as burglary, rape, robbery, and fraud, have statutes of limitation. It thus seems odd to suggest, as many anti-immigrationists have, that the civil infraction of crossing the border illegally should have no statute of limitation for prosecution. True, the illegal immigrant is committing a civil infraction by remaining here, but the major point remains: if we can cease pursuing a rapist after seven years (even though his victim may still suffer), why continue to seek out those who crossed out of a need to find work, and remain here to work? Of course, once again, this does *not* mean that we should welcome those who come here to get on welfare.

What about the second problem, regarding the economic costs of immigration to society?

Start with the concerns about immigrants' use of welfare programs. That recent immigrants are able to access welfare benefits that prior immigrants couldn't is absolutely true, and in a reasonable reform package (such as the one I propose in the final section) that would be dealt with. But there are some problems with Magnet's conclusions from that point.

To begin with, singling out Catholic priests is surely odd. No doubt many do encourage immigrants to take welfare wherever they can. But so does the federal government itself. It runs ads informing people how to get food stamps (actually, more like food credit cards) and encouraging them to do so. I am not arguing that the government should do this — *indeed, my proposal for immigration reform would stop everybody from doing this, government or nongovernmental groups.* I just resent Magnet's cheap shot against the Catholic Church. Additionally, the one group most disproportionately using welfare is African-Americans, and they are largely Protestant.

Riley notes that when you compare all legal immigrants to native-born citizens of the same economic level, immigrants use welfare programs less. (NB: in any case, illegal immigrants are not eligible for welfare, though their US-born children, being citizens, are.) And Riley notes that welfare dependency was going down even as illegal immigration peaked, due in great measure to welfare reform passed in 1996.

The statistics bare the point out: while illegal immigration doubled between 1995 and 2004, welfare caseloads dropped by **60%.** And from 1995 to 2001, non-citizen enrollment in TANF (Temporary Assistance to Needy families) dropped 55%, and in food stamps by 52%. It would appear that the rules governing the ease of getting government benefits along with the general economic conditions determine the number of people on welfare, not immigration law.[[7]](#footnote-7)

In addition, between 1990 and 2004, there has been a very clear inverse relationship between the rate of illegal immigration and that of unemployment — the higher the unemployment, the lower the illegal immigration, and the lower the unemployment, the higher the illegal immigration. This doesn't suggest that immigrants are coming for welfare.

As Riley notes, in 2006, among foreign-born workers generally, labor participation rates exceed those of native-born workers (69% vs. 66%). The unemployment rates for foreign-born workers is significantly lower than for native-born workers (4.0% vs. 4.7%), and among Hispanic males the disparities are even higher. None of this suggests that the immigrants are here for welfare.

Also, the Rector study struck many then (and since) as dubious. In essence, Rector added up what unskilled immigrants paid in taxes, then what they cost the government in terms of services, including the education of their children, and showed that on average the latter exceeds the former. But this seems too narrow a measure of how immigrants benefit the economy. It ignores the increase of society's wealth from the value the immigrants create as well as the reduced prices they bring.[[8]](#footnote-8) This is surely perverse.

Suppose, for example, Fred and his home improvement crew are immigrants, and they offer to add a room to my house for $10,000, whereas Bob and his native-born worker team want $25,000. I go with Fred, saving $15,000. Under Rector's analysis, society only benefits from the taxes on $10,000. But my savings of $15,000 surely leave me wealthier, and I will either spend the money or save it, thus creating new jobs as well as allowing society to tax it elsewhere.[[9]](#footnote-9)

One might object here that in a free market, the wages Fred and his crew would get would reflect what their work is worth. But first, not every actor in a free market will ask for exactly the same amount — some will try for higher than what the market might dictate, hoping the customer is unaware of that true, lower market price. More importantly for this discussion, the presence of Fred is what will eventually make Bob more reasonable in his pricing.

Also, the amount of work to be done is not fixed. For example, think of a case such as this: Sue is a trained accountant, raising her children at home. She could earn $800 a week if she could find a nanny, but a native-born nanny costs $800 a week. She decides to stay at home with the kids. Society derives no taxes. But an immigrant nanny offers to mind the kids for $400 a week. Sue employs the nanny. Not only does society get the taxes from the nanny's $400 per week; it also gets the taxes from Sue's $800 (or if Sue can write off the nanny costs, the extra $400). Rector's analysis doesn't reflect such cases of native-born workers entering more productive work because of the availability of immigrant labor.

Rector's analysis applies only to the very lowest-skilled immigrants, as he himself conceded, but that characterizes only about one-third of all immigrants.[[10]](#footnote-10)

Moreover, it is arguable that illegal immigrants, at least, contribute more into Social Security and Medicaid than they receive, if they are using other people's Social Security numbers (unless they later get into the system).

More generally, Rector doesn't disentangle the problem of the unsustainable growth of the major entitlement programs from the contributions of low-skilled immigrants to society. The three major entitlement programs, Social Security, Medicare, and Medicaid, have unfunded liabilities in the tens of trillions of dollars. By Rector's own analysis, the vast majority of native-born Americans aren't paying their own way in terms of the taxes they pay and the government benefits they receive. If that is true already of a couple hundred million existing citizens, focusing on a million more per year seems overwrought.

And even more egregious, Rector’s grotesque analysis doesn’t bother to calculate the value immigrants create. Suppose an immigrant comes here as a child, grows up to get a degree in physiology, and works as a research professor her whole life, at an average of maybe $60,000 a year. But she discovers a cure for Alzheimer’s. His sophomoric analysis is to take what she cost America in terms of education, and subtract from the total what she paid in taxes. If it is a negative, *why that just shows what a loss to society this leech was!! The fact that she cured a dread disease and saved the country hundreds of billions of dollars counts for nothing!!*

A personal note: I had been in the past a contributor to the Heritage Foundation, but after Rector’s piece of dreck propaganda, I dissociated myself from the organization completely.

In case you suspect me of arguing *tu quoque,* let me point out that my own proposal — outlined in detail in the final section of this paper — would permanently and completely disentangle immigration from entitlement programs.

To the claims about the unfavorable labor impact of Hispanics and their sending money back to their home countries, the rejoinders are obvious.

Start by noticing that this criticism seems to contradict the prior one. If the immigrants are coming here to get on welfare, why would they be stealing so many jobs? Also, if there is little need for low-skilled labor, how is it the immigrants keep finding work in such huge numbers? At the peak of illegal immigration back in the mid-2000s, national unemployment was only about 5%, which was quite, quite low compared with much of Europe.

Moreover, if we are moving or have moved to an epistemic society, then why are we deliberately restricting the number of highly trained engineers who want to come here from abroad? (On this, *much* more below).

And if we ban immigrants because they take jobs from native-born workers, should we not outlaw trade with foreign countries and automation, too? Both take jobs from the native-born low-skilled.

The point about immigrants retarding mechanization and lowering wages for native-born workers only emphasizes the fact that immigrants generally charge lower prices for their labor. Yes, we could require lettuce growers to use expensive machines or native-born workers at much higher wages, but consumers would pay higher prices for their products. Worse, there would be opportunity costs: the money used for this unnecessary machinery could be used to develop better varieties of produce. And (recalling Bastiat again) we have to consider the unseen jobs created by those lower prices. The money we all save on our groceries, for example, allows us to go out to more movies and restaurants, creating more jobs for higher-skill, native-born workers in those industries.[[11]](#footnote-11)

No doubt considerations such as these are what led a group of 500 economists to write a letter to Congress in 2006 saying that while a small percentage of workers may be hurt by

immigration, on balance it is a net gain for society.

Furthermore, it is not clear to what degree, if any, immigrants really lower wages for native-born workers, long-term. Riley notes that Borjas' initial study (2003), which showed a 8.9% decline in wages, assumed that the number and size of companies is fixed and that immigrants are perfect substitutes — when he removed those assumptions, he got a 5% figure. A study by Borjas and Lawrence Katz two years later showed only a 4% drop, and a later study by Pia Orrenius and Madeline Zavodny found only a 1% lowering of wages and no drop in employment for native-born workers.

But other studies show no impact of immigration on wages and employment of native-born workers. David Card's 1990 study of the Mariel Cuban immigrant influx showed no unfavorable results on wages or employment level[[12]](#footnote-12): so did the Rachel Friedberg-Jennifer Hunt 1995 study of the impact of immigrants on native-born labor wage rates; a 2007 study by Giovanni Peri focusing on California, the state most affected by the recent wave of immigrants), showed no job losses when correcting for similar levels of education, and actually a 4% gain in real wages (ranging from a fraction of a percent for high-school dropouts to between 3%-7% for high-school grads).

Moreover, a 2006 Pew Center study of immigration and employment levels from 1990 and 2004 found that the high levels of immigration had no significant impact on employment rates of the native-born. A 1994 study by Richard Vedder, Lowell Gallaway, and Stephen Moore found no significant correlation between the percentage of immigrants in the workforce and the unemployment rate.

All this may seem puzzling: how could a large influx of people in a low-skill (or high-skill) occupation not lower wages profoundly and permanently for the native-born workers in that trade? Here it is important to note several important points.

First, even legal immigrants are often willing to work for lower wages than native- born workers, in that they are certainly willing to work for low or even minimum wage at many jobs native-born workers won't do for anything like that wage — picking crops, tending for the elderly and children, working menial jobs in unpleasant environments, and so on. These are jobs native-born workers haven't taken in sufficient numbers, even in this prolonged period of high unemployment.

Second, remember that we are talking about long-term impacts. Suppose Sue is a nanny who will only take care of kids for $600 a week, while a legal immigrant is willing to do it for $400, which is still above minimum wage. Sue may lose her job, but she will be able to move on to more productive work — say, teaching preschool students for $800 a week.

Third, the claim that uneducated native-born workers are perfect substitutes for foreign-born uneducated ones is dubious. After all, to be a native-born American without a high-school diploma in a country that has such a massive free public school system may indicate that you have behavioral problems (don't like studying, bore easily, don't like taking direction, are of very low intelligence, have anger management issues, and so on). Being equally uneducated from another country may just mean that you were born very poor and nothing else. Moreover, being willing to travel hundreds of miles over ocean or desert likely indicates a reserve of moxie a native-born worker may not have.

Again, these studies don't address the fact that any disparate impact on native-born minorities may be attributable to their being stuck in lousy public schools. Remember, the rise of the teachers unions was in the 1960s, and so the most recent wave of immigrants has attended schools virtually immune to reform, unlike prior waves of immigrants.[[13]](#footnote-13)

When immigrants send money back to their home countries, it doesn't just disappear. That money will sooner or later have to be spent or invested here, providing jobs here for the native-born (Bastiat again).[[14]](#footnote-14)

To the third problem raised by contemporary anti-immigrationists, about the social costs of immigration, a few points need to be made.

First, we should note that Robert Putnam, whose work is often cited in opposition to immigration, himself notes that recent immigrants are learning English at the same rate as immigrants did 100 years ago (though he doesn't specify the exact rate). (By the way, Putnam is *not* anti-immigration).

The 2000 census indicates that 91 % of the children and 97% of the grandchildren of Mexican immigrants speak English well.

Riley points out that many articles accusing Hispanics of failure to progress are based on faulty statistics, in that they do not disaggregate the ongoing recent arrivals from early immigrants. Obviously, the rate of English fluency will be higher among immigrants from a decade ago than it would be among new arrivals.

Turning to crime and other social pathologies, if we look at Hispanics as a group, their crime rates don't seem out of line with their demographics. The Bureau of Justice Statistics reports[xvi] that in 2010, of the total 1,550,600 male and female federal and state prisoners, 345,900 were Hispanic, or about 22% of the total. That year, Hispanics were about 17% of the total US population. Considering that Hispanics are a much younger group than Americans as a whole, are typically much less able to attend good schools, and are more likely to be incarcerated for immigration crimes (such as illegal reentry and visa fraud) this seems roughly proportionate. By comparison, blacks accounted for 38% of US federal and state prisoners, while constituting about 13% of the population.

Regarding swamping, El Paso (75% Hispanic), which is right across from Ciudad Juarez (a center of drug cartel violence), has the second lowest crime rate of any major American city.

Again, if we focus on Hispanics as a group, while the out-of-wedlock birthrate is higher among Hispanics than whites, it is still much lower than among blacks, and more importantly, 80% of all Mexican-American children are raised in two-parent homes.

Moreover, 77% of all Hispanic women marry by age 30, only slightly less the 81% figure for white women, and the rate of divorce is the same.

Now let us turn to immigrants and crime. As a nicely nuanced study by the Center for Immigration Studies (CIS) has reported, data on criminality rates among immigrants is often unreliable or contradictory. One study they report from 2007 puts the total immigrant prisoner population (legal and illegal) at 7% of all prisoners, while immigrants were reported to be 12.6% of the total population. But the Department of Homeland Security (DHS) estimated the total percentage of immigrant inmates in federal and state prisons at 20%, while the percentage in the population was about 16%.

Let us take as accurate the much higher DHS figure, though it is debatable. Again, given the fact that immigrants are likely to be younger, less well educated, and obviously much more likely to be imprisoned for immigration crimes (such as illegal reentry, alien smuggling, and visa misuse), this seems about proportionate.

I concur with the conclusion of the CIS report, which is that "it would be a mistake to assume that immigrants as a group are more prone to commit crime than other groups. . . . Nevertheless, it also would be a mistake to conclude that immigrant crime is insignificant or that offenders' immigration status is irrelevant in local policing. . .. [I]n many parts of the country, immigrants are responsible for a significant share of crime." That is why any comprehensive immigration reform should involve zero tolerance for serious crime, rapid deportation after punishment for immigrant crime, and enhanced background checks of potential immigrants.

The fourth problem raised by modern anti-immigrationists — the idea that America is filling up and has no more room for millions of immigrants — is patently weak. Consider some pertinent points.

First, as Riley notes that world population growth rate peaked at 2.17% in 1964, has been declining ever since, and will be under 1% in less than four years. It was 1.1% in 2009, so Riley's prediction seems reasonable.

Second, if you moved the entire world's population into just Texas, the population density would be less than that of the Bronx.

Third, as Donald Boudreaux notes, even with America's population of about 310 million, the amount of land taken up by urban and suburban development in the lower 48 states is only 3%, and that figure is likely high. Include Alaska, and that percentage drops even more.

Fourth, since 1900, we have increased by 700% the land devoted to national and state parks and wildlife areas. The amount of land devoted to agriculture and ranching is no larger than it was back then.

Now, some argue that while we have more than enough space for new immigrants, we don't have the necessary human support and physical infrastructure for them. But compared to what we had in 1920, when the last major wave of immigrants occurred, the US has gained per capita ten times the miles of paved roads, twice the number of doctors, three times the number of teachers, five times the number of cops, and twice the number of fire fighters.

Let me add that if you compare countries by population density. America is nowhere near the top, nor even the middle. Bangladesh has 2,957 people per square mile; India 933; Japan 873; the Philippines 811; Vietnam 674; the United Kingdom 656; Germany 593; Italy 518; China 361; and Mexico a rather low 142. America? It has 83 people per square mile, among the lowest.

For the US to become as dense as even Britain, it would need to have about 2.5 billion people. There is no way that would ever happen — demographic trends show most countries now stable or even shrinking in population, some (like many European countries) dramatically so. The world population is due to peak at perhaps 10 billion or a little more in mid-century, then decline worldwide. And Britain is hardly overcrowded.

To Malthusian worries about overpopulation and the exhaustion of natural resources, economist Greg Mankiw had a great reply, one harkening back to Julian Simon: "Those who fear overpopulation share a simple insight: People use resources. The rebuttal to this argument is equally simple: People create resources."

***The Positive Case for Continuing Immigration***

I believe the case against immigration has been stated fairly and rebutted squarely. But is there a compelling case, not just that immigration has been good for America, but that we need more of it?

Yes there is. Let us start by observing something important about immigrants: they are remarkably inventive, innovative, and entrepreneurial. Some recent reports offer ample evidence of this.

We might begin with a report by the Partnership for a New American Economy shows that at the ten top American universities for patent production, immigrants accounted for an amazing 76% of patents issued last year. Virtually all (99%) of those patents were in STEM fields (science, technology, engineering, and mathematics).

In the most innovative area of the American economy, foreign-born inventors were especially fecund: they were involved in 87% of the patents in semiconductor device manufacturing, 84% in information technology, 83% in digital communications, 79% in pharmaceutical products, and 77% in optics.

Considering that university research constitutes 53% of all American basic research, and that (at least according to Nobel Laureate economist Robert Solow) about half of all of America's economic growth is due to technological innovation, these figures are telling.

This report only confirms what has been a long-standing American experience. For example, a recent study showed that in the period from 1901 to 2011, America won more Nobel Prizes for chemistry, physics, physiology, and medicine than any other country by far — 314 in total. Of these, 102 — 32%, or nearly a third of them — were awarded to immigrants. This percentage is far higher than the percentage of immigrants in the population as a whole (which averaged at most around 12% throughout this period).

Compare our record to Germany, of whose Nobel Laureates only 17% have been foreign born, and Japan, of whose Nobel Laureates precisely none have been foreign-born.

Another example is the report (by economists Jennifer Hunt and Mariolaine Gauthier-Loiselle) published back in 2008 by the prestigious National Bureau of Economic Research. They studied patent data by state from the years 1950 and 2000. They showed that the rate of invention by native-born researchers was not diminished by the research of immigrants, and that each increase of 1% of foreign-born college grads in a state increased patents per capita by 15%.

Finally, there is the now classic 2007 report by Vivek Wadhwa, AnnaLee Saxenian, and associates that studied data from the World Intellectual Property Organization Patent Cooperation Treaty database. They found that in 2006, 24.2% of all US international patent applications had at least one foreign-born applicant.

One reason immigrants with technical degrees create jobs is by making American high­tech companies more productive, hence more profitable. That is, tech jobs — like *all* jobs — in America are not a zero-sum game: those talented techies from abroad come up with new ideas, which create new product lines or improve existing products, which in turn increase the profits of those companies, who can then expand operations creating new jobs for native-born workers.

For example, Bill Gates recently testified before Congress that at Microsoft, four new native-born workers were hired for every foreign-born one.

And Nick Shulze of the American Enterprise Institute has noted that each foreign- born worker with an advanced STEM degree creates an average of 2.62 jobs for native-born workers.

Technological inventions then go on to make all other American industries, from agriculture to manufacturing, more productive, and hence more able to expand and hire the native-born workers.

A second reason technically trained immigrants create (or at least retain) jobs is by helping keep American high-tech located in this country.

Over 40% of Ph.D. scientists working in this country are foreign-born. And over a third of the engineers and scientists in Silicon Valley are foreign-born.

However, the truth is that fewer and fewer native-born American students are choosing STEM majors. In 2009, we graduated fewer computer science students than we did 25 years before, and in chemical engineering, math, and microbiology, we graduated only the same number as we did then. At the present time, over 40% of all Ph.D. students in engineering and science are foreign-born.

But high-tech industries — indeed, *all* industries — need STEM-degreed workers. If we don't produce them in great enough numbers — which we manifestly are not — and if we don't allow them to immigrate here, our industries will simply ship operations abroad to countries that are producing those trained people.

Steve Jobs made this point directly to President Obama in arguing for allowing more trained immigrants in, pointing out that the 700,000 workers at Apple plants in China are supported by 30,000 engineers, and "You can't find that many in America to hire."

The third reason — and it is a major one — why immigrants with STEM degrees have created jobs is that they are disproportionately likely to start new companies.

The list of prominent high-tech companies founded or co-founded by foreign-born entrepreneurs is as long as it is impressive: Apple, eBay, Facebook, Google, Intel, Nvidia, Yahoo!, YouTube and Zappos come to mind.

A study done last year by Stuart Anderson of the National Foundation for American Policy showed that of the top 50 venture-capital backed startup companies, almost half were founded or co-founded by immigrants, and that immigrants held key management positions in three-fourths of those companies. Each immigrant entrepreneur created jobs for 150 Americans on average.

The classic Wadhwa et al. study, mentioned earlier, showed that roughly half of all Silicon Valley startups were founded or co-founded by immigrants. It also showed that over one fourth of *all* American tech firms founded between 1995 and 2005 had an immigrant founder or co-founder. In 2005, those companies — created by just a couple of dozen creative immigrants — together generated over $52 billion in sales, and employed directly 450,000 workers (and probably millions of workers indirectly).

More broadly, 40% of all Fortune 500 companies were either founded or co-founded by immigrants or children of immigrants.

But crazily, our immigration system has only made it harder for talented professionals to immigrate here or stay here (if they have a student visa).

The main program that allows STEM-trained workers to immigrate from abroad is the H-1B visa program. This year, as in most of the years up to the recent recession, all the allotted slots were taken in a day. This occurred despite the fact that an H-1 B visa costs about $5,000 in fees and attorney expenses. The reason for this is that for years, Congress has imposed a laughable cap of only 85,000 such visas a year. And under the American Recovery and Reinvestment Act of 2009, any company that had received TARP funds or new Federal Reserve help was restricted in its hiring of new H-1 B visa immigrants.

In fact, the number of permitted skill-based visas (H-1B, EB-1, EB-2, and EB-3) dropped from 301,000 in 2000 to 270,000 in 2009.

Getting visas for foreigners already working here (L1-B) is another illustration: there are only 250 USCIS caseworkers who evaluate the applications, and they seem to be arbitrary on their rejections.

Clearly, even politicians who should know better still believe in the "zero-sum game" view of technical work.

Let me conclude with a demographic point. While huge waves of immigration are nothing new in American history, the population change we are undergoing *is.* The baby boomer cohort— people born between 1946 and 1964 — is the largest in American history, numbering nearly 80 million people, or about 25% of the population. These people are beginning to retire now, and the native-born younger cohorts are nowhere near as large. That means the nation will age, unless we allow widespread immigration. As ZeroHedge blogger Tyler Durden has aptly put it, America faces a "demographic cliff."

Ironically, Steven Malanga, one of the anti-immigrationists at the Manhattan Institute, wrote an excellent piece in 2010 on what the aging of a population does to a country. Birthrates are shrinking worldwide, thanks mainly to economic development. While we are roughly at replacement level, many countries aren't. Japan is projected to drop in population size by 21% in the next 40 years, Poland by 16%, Russia by 22%, and Germany by 14%. Since innovation and invention typically come from the young, this means that these countries will experience slow productivity growth rates, and hence slower or even no economic growth. He illustrates this with a detailed discussion of the case of Japan, "stuck in the world's first low-birth recession."

An aging population presents many problems. The elderly retire, so society loses their labor. They live off accumulated capital, so less capital is available for new investment. Their medical costs rise dramatically. And they are less inventive than the young — which means that technical research may suffer.

What is richly ironic is that the US is managing to hang on to a replacement-level birthrate only because recent immigrants and their children have a much higher fertility rate than other people in the country. For example, Mexican-American women now have higher birthrates than Mexican women do.

Recently, economists James Stock and Mark Watson published a study (reviewed nicely in an *Atlantic* piece) arguing that we face a demographic problem, and need to increase our immigration accordingly.

***One Anti-immigrationist Response: More Command-and-Control***

The facts about the value of skilled immigrants are so compelling that many — although by no means all — contemporary anti-immigrationists have suggested that we "shift" immigration away from low- to high-skill labor. Borjas, Huntington, and Rector have all suggested this.

Specifically, Rector has called for several things, including: continuing to enforce the existing laws against illegal immigration; not granting amnesty to any of the 11 million or so illegal immigrants in this country now; allowing at most a temporary guest worker program; eliminating birthright citizenship for illegal immigrants (which I suspect would require amending the constitution); reducing the number of green cards based on kinship; and increasing the number of H-1B and other visas for skilled workers.

But this proposal presents a host of problems. To begin with, as economist Gordon Hanson (a co-author with Borjas in a number of articles) has noted, this "would eliminate the benefits to US consumers and employers from low- skilled immigration" (presumably lower prices and greater efficiency of production). As he further notes, "Economic theory suggests that the wage losses associated with immigration are more than offset by income gains to factors that are complementary to immigrant labor."

He also notes that it would induce shifting manufacturing to lower-wage countries.

However, let me add what I think is an even larger problem. If we are to oppose low-skilled immigrants because they lower wages for native-born low-skilled workers, wouldn't that argue even more strongly against allowing in more immigrant high-skilled workers as well, because they would lower the wages for native-born ones? Certainly, past attempts to increase the ludicrously low number of allowable H-1B visas have met with fierce resistance from American-born tech workers. There are already organizations of engineers lobbying to halt high-tech immigration.

Finally, the proposal still leaves an aging workforce, because the number of high-skill immigrants is not huge.

Curiously, none of these contemporary anti-immigrationists who say they are willing to see more high-tech workers actually try to put a number on how high to raise (say) the H-1B limit. This is easily explained:***they can't****.* The Byzantine crazy-quilt of various visas and immigration venues (H-1B, H-2A, H-2B, EB-1 and so on) is set in a command-and-control way by politicians and bureaucrats trying to figure out the "optimal number" of each type of worker the economy "really needs" (again, as if God writes in stone how many jobs of a given type there will be) — but won't turn out to be "too many" (meaning enough to lower the existing wages of anybody, as if keeping wages high is what God wants).

In this regard, I am surprised that the anti-immigrationists haven't mentioned countries such as Canada and others that have actually tried to implement detailed "points" programs to determine just how "skilled" a worker is. For example, under Canada's scheme, candidates are rated as skilled labor on the basis of a somewhat complicated points program. Under this scheme,

a prospective immigrant applying under the "skilled labor" category gets points for a variety of things, and he has to have 67 total points to qualify. So, for education, the prospective immigrant can get from 5 points for completing high school to 25 points for a Master's or Ph.D. He can get up to 24 points for being fluent in English or French, up to 10 points for age, up to 21 points for work experience, and up to 10 points for having a job offer from a Canadian employer. He also needs to show funds in a Canadian bank (ranging from $10,000 for a single person to $27,000 for a family of seven or more) or have a job in hand in the country. Moreover, he must have no criminal record.

As command-and-control approaches go, this is certainly sophisticated. But it has all the defects of any such scheme, since all are by definition grounded on a less-than-free market. The more obvious defects include the following.

To begin with, you don't have to be Mises or Hayek to see that even if the various levels were set by perfectly rational, informed, and disinterested administrators, they couldn't possibly anticipate the ever-changing market needs. The economy is a chaotic system. How could any bureaucrat keep track of current needs in thousands of different skilled occupations?

Worse, the administrators are anything but perfectly rational, informed, and disinterested people. In fact, they are usually of, at best, mediocre intellect, lacking in knowledge of what they aim to regulate, and highly interested in the vested interests of whoever lines their pockets.

Why would having, say, a Master's in Film Studies make you more economically valuable than, say, being a short-order cook? Suppose you are a Ph.D. in electrical engineering, but broke. Aren't you still a good candidate to become a citizen?

Would someone who trained on the job (say, in repairing computers) always be able to document his proficiency?

Don't many very talented people drop out of college because they are bored, they have run out of money, or are forced to deal with a family emergency? Do we really want to exclude such people? Remember: Bill Gates was a college dropout.

Finally, and most tellingly, if this system is so good at picking winners, *why isn't Canada the world leader in high-tech innovation?*

I am a practical man. If the matter of just removing the caps on high-skill visas were all we could get by way of immigration reform, I would, like Mayor Bloomberg, support it. But let's look at some better ideas.

***Hanson's Proposal***

Economist Gordon Hanson has an approach to the problem that he calls a "rights-based program," with a number of valuable features worth considering. Under his plan, the goal would be to increase the ability of businesses to hire immigrants, and minimize the costs to taxpayers by "graduating" immigrant access to public benefits. His plan includes a number of interesting features.

First, immigrants would begin with temporary renewable work visas (say, with 3 year terms). On such a visa, the immigrant would have limited rights to certain public benefits (education, participation in a self-funded pension plan, and in a self-funded medical plan).

On such a visa, the immigrant would have no right to access what we normally call welfare (as opposed to "entitlement" programs such as Social Security and Medicare): public assistance (like TANF), food stamps, public housing, and Medicaid.

Then, if the immigrant complies with the terms of the visa, it would automatically be renewed. After a "specified number" of such renewals (he doesn't actually specify the number), the immigrant could apply for a green card, which as now would put the immigrant in the Social Security and Medicare programs, and allow access to welfare programs.

The existing illegal immigrants would be allowed to apply for "special pool" temporary work visas, not green cards, perhaps limited to those who have been here six years or more.

To get a special pool visa, an existing illegal immigrant would need to have his employer apply. (What to do about people who own their own businesses or are otherwise self-employed, Hanson doesn't say.) Since this would expose the employer to legal sanctions, some kind of immunity deal would have to be brokered.

Those illegal immigrants unable to qualify for special pool visas could apply for the regular temporary visas.

To ensure that allowing this many illegal immigrants a path to legitimacy doesn't encourage more future illegal immigration, Hanson suggests that better enforcement would be needed. He sagely advises converting the Basic Pilot Program, which allows employers to check the validity of a job applicant's Social Security Number electronically, against the DHS and the SSA, be made mandatory. That would make identifying the employment of illegal immigrants easy.

To set the number of temporary visas, the government could require businesses to advertise all their jobs and allow foreigners to apply, and the excess of applications over openings would be a metric the immigration authorities could use to issue temporary visas in the areas where they are needed most.

Lastly, Congress would set a yearly cap on the number of visas to be issued, cutting down the number when there is a labor excess.

The appealing aspects of this system are that it directly addresses the pool of illegal immigrants, it tries to allow for the growth of immigration as needed, it allows for a shift to higher-skill immigration, while minimizing the impact on the taxpayer. But it faces some major objections.

First, as Hanson himself concedes, it would create several classes of candidates with different levels of rights. The temporary visas would carry no welfare rights, but the green card had many rights restored to it in 2002 (under the argument that the immigrants were paying taxes for them).

He gives no idea of what the self-funded entitlements would look like.

Worse, it is unclear why any current illegal immigrant wouldn't just try to get a regular temporary visa, because to get a special pool visa would require asking his current employer to identify himself.

Also, the amount of work required of businesses to post openings, keep track of worldwide applications, and submit "special pool" applications on behalf of employees would be enormous, and would be quite a contribution to what is already a massive regulatory drag. And it is likely that immigrants would be applying for a large number of different jobs at the same time, compounding the workload for businesses. It would be especially onerous for small businesses, which produce the majority of innovations and new jobs.

Moreover, it would bias the immigration system against immigrants who want to start businesses or be otherwise self-employed.

Finally, again, it requires a command-and-control setting of quotas administered by biased and self-interested bureaucrats and politicians, almost all of whom are of mediocre intelligence.

***Becker's Proposal***

One economist reasonably labeled "classically liberal" is Gary Becker, 1992 Nobel Prize Laureate in economics. In a recent book[[15]](#footnote-15) he proposed a novel solution to the problem of immigration. As I have already reviewed the book in these pages, I will cover it briefly here.

Becker points out that immigration — both illegal and legal — is driven primarily by two gaps: between the average wage of the poor and the rich countries; and between the fertility rate of the poor and the rich countries.

While he is sympathetic to open borders, he agrees with his old teacher Milton Friedman that immigration into a welfare state is problematic.

His solution to the costs of allowing widespread immigration into our country is bold and simple: allow anyone who wants to immigrate (except for the obvious cases of criminals, security threats, and people with communicable diseases) to do so upon paying, say, a $50,000 fee (which could be adjusted up or down as needed). He points to a number of advantages of this idea, including: it would automatically tilt immigration in favor of the highly skilled, who can more easily pay the fee themselves or get employers to pay it; it would automatically tilt immigration in favor of the young, because they will have a longer time to recoup their investments; it would attract only the most committed to long-term immigration, because short- term immigrants would be deterred by the loss of their fees; and (Becker claims), it would lessen nativist feelings, because people would see immigrants contributing tens of billions of dollars to help the government pay its bills.

I like Becker's proposal, and would certainly take it over the present situation. But I have a few problems with it.

First, regarding nativist sentiment, for example, it ran high long before there were any appreciable welfare programs. And to the extent that we discourage the lower-skilled immigrants, to that extent we miss out on their substantial contributions to lower prices and greater productivity.

Moreover, if Rector is right, $50,000 only covers about two and a half years of what immigrants cost society on average.

Worse, for high-skilled immigrants, who Rector agrees already contribute more than they take in, the $50,000 would seem to be a violation of their property rights.

Additionally, his scheme would deter some immigrants we especially want, such as young technical graduates who in a recession can only find low-skill work, but stand to get better work in a recovery, or entrepreneurs aiming to start a new company (risky enough, if they don't have the capital to begin with).

Finally, contrary to what he says, it would likely bias immigration towards older workers who have had time to accumulate the money.

***My Proposal***

Let me try to sketch an alternative plan, based on what I view as the best ideas of Hanson's and Becker's plans, and informed by what Milton Friedman had to say about illegal immigration. I can only sketch it, for each part would require a large paper elaborating the policy details, and frankly, I am not a policy wonk. But I would suggest that a satisfactory program of reform would involve the following.

First, any comprehensive immigration reform must not serve as an inducement for further illegal immigration. We should adopt Hanson's mechanism for dealing with it: make computer checks of Social Security numbers mandatory for all new employees of all companies.

We need to dramatically increase the speed by which people wishing to immigrate legally are processed. I would suggest privatizing part of the process by, say, letting private security firms do the background checks that any applicant should undergo. As it stands, it often takes years for people to be given legal permission to come in. That has surely been a major source of illegal immigration.

Like Becker, I favor just junking the byzantine command-and-control visa schemes, and like Rector, I favor ending family preferences (except for minor children) as well as the "diversity lottery."

Like Becker, I want immigration to be open to all who want to come for work — except, naturally, people with a criminal background, or who pose a security risk, or have communicable diseases. We should have enhanced checks to search for criminals and security risks.

Like Hanson, I would issue a temporary work visa and a permanent residency card, but different from the current green card. Call it a blue card.

Both the temporary visa and the blue card would carry the same rights. The only difference would be that the blue card would be permanent, and allow application for citizenship in five years. Both would be aimed at eliminating the cost of immigrants to taxpayers.

Start with the major "entitlement programs." Blue cardholders would not be part of the Social Security system. Instead, they would be required (as Hanson suggests) to be part of a defined contribution plan. He doesn't give a model, but I will: it would be something like the Milton Friedman-inspired plan Chile adopted over 30 years ago, but updated and improved. That is, it would be like a 401k, but with investment limited to low-cost broad index funds and bond funds (so that workers wouldn't gamble too dangerously with their retirement funds). He would be required to contribute 10% of his salary before taxes, and that contribution would be deductible from them, with the Social Security contribution from employer and employee eliminated.

This retirement account would be the personal property of the worker. If he returns home, it would go with him. If he dies before he uses it up, it will be passed on to his heirs or whoever else he wants.

Even if the blue cardholder later became a citizen, he would never be part of the Social Security system, only of his blue card retirement system — period. Remember, he wouldn't have been paying taxes to support the Social Security system, so he shouldn't ever be entitled to it.

Instead of the Medicare and Medicaid programs, blue card holders would have a plan such as that advocated by eminent economist John C. Goodman. It is a voluntary subsidy system. In essence, it would give participants a subsidy of $2,500 per adult and $1,500 in addition, to buy catastrophic health insurance (think of it as a catastrophic health insurance voucher), and encourage health savings accounts for routine medical expenses.

The program would be funded by taxes on the pool of immigrants and their employers, in lieu of the Medicare tax. If the immigrant returns to his home country, he keeps his HSA, but loses his insurance. If he becomes a citizen, he stays on the system permanently. Again, he didn't pay for Medicare, so shouldn't receive it.

Regarding what we normally call "welfare," i.e., means-tested direct government benefits, I would take Gordon Hanson's plan one step further: neither temporary visa holders *nor* blue card holders would be eligible for them. Of course, once a blue card holder became a citizen he would be eligible.

Finally, recall that the visa and blue card holders would be paying all other local, state, and federal taxes (sales, gas, property, and income taxes) and fees. So their share of the police, fire, defense, and education services would be covered by their taxes, just as those of ordinary citizens are.

All illegal immigrants here could apply for temporary work visas, then blue cards. Their penalty for coming here illegally would be that any contributions made to Social Security and Medicare using "borrowed" ID numbers would not be credited to them, and they would pay any past income or other taxes due.

How many would accept the new rules? If the most extreme anti-immigrationists are right, none would stay, because those immigrants are all here for welfare. But I suspect that most will stay. Immigrants who accept the new rules will be legal and in the open, paying taxes in full, and paying their own way fully.

To be fair to Becker, he has a legitimate criticism of any proposal such as mine: that, over time, immigrants would grow in total percentage of the population and be able to vote away any restrictions such as I propose.

To this I have several replies. First, even at the peak periods for immigration in the past, immigrants at most came in at about 1.6% of the then existing population, and never constituted more than about 15% of the total population. It seems unlikely they could outvote the native-born.

Second, the restrictions I propose (such as personal ownership of one's retirement account, and a self-funded medical plan that allows one to choose his own doctor) would likely prove popular with a fairly high percentage of the immigrants themselves.

Finally, the same point could be made about Becker's proposal. Say we set the price of immigration at $50,000. Why couldn't immigrants vote later to lower it to $5,000, or even $5?

There are several topics that space prohibits me from addressing fully. Let me just briefly state them, and my opinions on each, foregoing the elaboration and defense.

The first is how to handle those who clearly have no desire to work here permanently, but only temporarily — especially in the agricultural industry. Should we have the sort of short-term visas we had on the 1950s? I incline to say yes, but under the same restrictions as for permanent residents on entitlement and welfare programs.

Second, what should we do with the existing green cardholders? My view would be that ex *post facto* changes in the law are ethically (and legally) dubious, so I would let them remain as is. Only new permanent immigrants would go on the blue card program.

However, I would allow green cardholders to switch *voluntarily* to the new program, and it occurs to me that some of them — especially the younger ones — might well want to do that. The thought of not being on the Social Security system, but holding your own account, which can be handed down to your children in the event of your death, and doesn't disappear when you die, and is not subject to being seized at some future date (i.e., "means tested" away) would surely be appealing to many. Also, as the Social Security and Medicare programs head off the financial cliff, many green card holders might be motivated to switch. If they do, they surrender any past contributions to those programs and any future participation in them.

Third, would I extend the waiting period before allowing those permanent immigrant workers who want to apply for citizenship to do so? No. Current green cardholders — who are eligible for many welfare benefits — can apply after five years, and I think that would be fine for blue cardholders. It is unlikely that many people who want welfare will work for five years just to qualify for it. But we could always extend the time required before applying for citizenship.

Fourth, to the issue of "anchor babies," i.e., women who illegally immigrate to give birth to children who are then automatically citizens, while I don't regard this as a major problem (there are only about 1 million such children, after so many years of a porous border), I would support conditioning the passage of immigration reform on the passage of a constitutional amendment conferring birth citizenship on only those children whose parents are here legally.

We have ample room for many, many more productive people. Let's let them in, in numbers and skill-sets governed by the free market — but make sure they pay their own way, going forward.

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1. One might quickly reply that the Irish are above average now, but only after 150 years. But the equally quick counter is that their labor helped build this country along the way, especially in building the canals and railroads that were crucial to America's rapid economic growth. Moreover, they gave not just their labor but their blood, starting most prominently in the Civil War — over 150,000 Irish fought for the Union, often as volunteers, but mostly as draftees. Of course, being immediately subject to the draft upon signing their citizenship papers made many recent Irish immigrants oppose that war, and some rioted against the draft. But the Irish certainly fought in huge numbers in the Civil War, and every war since.

Remember that the imperative of consequentialism is that we look at the costs and benefits over the long term. Otherwise, virtually any economic change (introducing new technology, trading with other countries, or what have you) would always be viewed as bad, since somebody is bound to be discomforted in the short term. [↑](#footnote-ref-1)
2. One such worthy was Henry Goddard, IQ testing guru, who argued that 60% of Jewish immigrants came out at the "moron" level on his tests. Harry Laughlin, superintendent of the Eugenics Record Office from its founding in 1910 until 1939, was also an influential advocate for immigration restriction. Congress certainly heard testimony from the eugenicists arguing in favor of the restrictions on immigration. True, Congress hears a lot of testimony, and there is no way to tell how much the eugenicist testimony helped the cause of ending immigration. But the fact remains that their testimony was both solicited and given. [↑](#footnote-ref-2)
3. Hispanic immigrants are now the biggest groups in some Southwestern cities, such as Los Angeles and El Paso. Some argue that they have "ruined" L.A. and its formerly "good" school system, but that is, to say the least, debatable. El Paso, with its 75% Hispanic population, has the second lowest crime rate of any big city, and a decent school system. Streitfeld suggests that Hispanics have helped revitalize parts of L.A. that were hit hard by the earlier recessions the city has undergone. Moreover, the school system in L.A. has been going downhill ever since teachers unions assumed control, decades back. The best answer to the claim that the influx of Hispanic immigrants has "ruined" the L.A. or California school system is the report by the Goldwater Institute studying the impact of Jeb Bush's reforms on Florida's school system. After his far-reaching reforms — which increased standards and genuine measures of progress, ended "social promotion," instituted merit-based pay for teachers, and most importantly enhanced school choice — Florida's Hispanic students statewide have the second-highest reading scores in the nation, exceeding the scores for all students in California. What has hurt California's public school system is manifestly not the presence of Hispanic kids, but the complete control of it by the teachers unions, who block all attempts to reform it.

Obviously, I am not saying that the presence of large numbers of students who do not have English as their native tongue is beneficial to a school system. It is of course an extra burden. I am merely observing that in the past, prior to the advent of complete union control of the US public education system, it presented no insurmountable obstacles, and that where today proper reform has been instituted, it presents no insurmountable obstacles. [↑](#footnote-ref-3)
4. 4 The argument for this is that America prior to this point had high tariffs, thus making markets abroad harder to access, but America during this period allowed virtually unlimited immigration. With the severe anti-immigrationist law of 1924, for the first time in history we had no free influx of labor (and thus consumers) and high tariffs, which were jacked up even more, shortly thereafter. The presence of huge pools of new residents prior to that provided both lower wages (hence prices) for domestically produced goods (which otherwise would be higher with the companies protected from inexpensive labor abroad), and increased internal markets for the produce of the nation.

Again, I am not arguing that the immigration was "the" cause of the Depression at all, merely that there is reason to think that it may have played a role, and in any case, ending it did nothing to hold off the disaster. [↑](#footnote-ref-4)
5. It might be claimed that the continued existence of Italian-American and Russian-American gangs shows that not all ethnic groups rid themselves of organized crime. But I don't find this in the least persuasive. The heyday of Italian-American organized crime was the 1920s-1930s, with lingering power in a few big cities into the 1980s, and pretty much shut down during the 1990s, despite the resurgence of gangster movies during the 1970s and onwards.

Moreover, if the Italian-American gangs in their prime were more prominent than prior ethnic gangs, it was because those prior ethnic gangs weren't given the gift of prohibition. As to the current presence of Russian-American gangs, they are from an entirely different wave of Russian immigrants, viz., from the recent (post-Soviet) wave of immigration.

Again, one might argue that this history suggests that any massive influx of immigrants of the same ethnic class will bring organized crime. Perhaps, but even if so, the history also shows that the costs of this organized crime is minor compared to the long-term benefits of the new groups — especially if you don't have Prohibition! [↑](#footnote-ref-5)
6. Riley, Jason *Let Them In: The Case for Open Borders* (NY: Gotham Books, 2008). See pp. 15-37. [↑](#footnote-ref-6)
7. It might be argued that illegal immigrants do cost society in education, which in California is about $13,000 yearly per student in direct costs alone. But the replies are obvious.

First, to the extent those children are or become citizens, which many or even most eventually do, their education pays off in higher earnings to them, hence higher taxes paid to the governments (local, state, and federal). This is likely to be true even for L.A., whose school system processes a disproportionate percentage of California's immigrant population, unless of course L.A. drives those educated children away by anti-business policies.

Second, school expenses are paid primarily by property taxes, which illegal immigrants certainly pay (either directly, if they own their property, or indirectly, if they rent — as landlords build taxes into the rent they charge). [↑](#footnote-ref-7)
8. It might be replied that while reduced prices through lower wages increase society's wealth, they lower wealth per capita. But this is dubious under a static analysis, and very dubious under a dynamic one. Statically, while some people's wages may be lowered under immigration (though as I argue later, this is not clearly true), since prices go down, wages buy more, so average real wealth likely stays the same. This is precisely the same point with free trade — allowing cheap foreign goods will lower some wages short term, but the vastly lowered prices increase per capita wealth. Dynamically, by applying more efficient labor, immigration allows the more productive deployment of native-born labor — I point I explore later. [↑](#footnote-ref-8)
9. A quick reply is that Fred and his crew may have a whole passel of kids, whose education is a cost to society. However, the equally quick counter is that Rector's analysis already includes that cost. I am pointing out here some benefits of immigration his analysis leaves out. [↑](#footnote-ref-9)
10. “Immigration Heritage,” editorial in The Wall Street Journals, June 8, 2007. This includes both legal and illegal immigrants. [↑](#footnote-ref-10)
11. It might be suggested that if we bring back the bracero program, and pay immigrants a low wage to (say) pick crops, they will just unionize, and the wages will just rise to what native-born workers would charge.

The reply is that this has not happened, and didn't happen during the period in the 1950s when the first Bracero program was enacted. Moreover, if the new bracero workers did unionize, then mechanization would become cost effective. That would means that the cost would go up for everyone, but that will happen anyway is we do *not* allow for immigrant labor.

Also, remember this: the rate of private sector unionization continues to decrease even among native-born workers. Only about 7% of private industry workers are now in unions, way down from the 35% or so back in the early 1950s. [↑](#footnote-ref-11)
12. It might be suspected that the reason the Card study showed no impact on wages is because the Mariel immigrants were in large part insane asylum or prison inmates, so wound up in institutions. But the Card paper addresses this, arguing that only a small percentage of the Mariel immigrants were criminals or mentally ill, and that most of those were soon deported back to Cuba. Perhaps the Mariel immigration was too small for a proper statistical analysis to show the negative effects of the criminal and mentally ill Marielistas on society, but in any case the other studies cited looked at other groups of immigrants, and the general conclusion was the same. [↑](#footnote-ref-12)
13. Again, one might argue that the presence of large numbers of children of immigrants is a big part of why the public schools are lousy to begin with. To that point, see the study "Demography Defeated: Florida's K-12 Reforms and Their Lessons for the Nation" (cited above) showing that after reform in Florida, Hispanic students have moved ahead nationally — and so have African-American students. As I noted above, historically, before teachers unions took control of the American public school system, waves of non-native speakers (Jews, Poles, Chinese, Hungarians, Germans, Italians, and so on) were educated rapidly in the American public school system in the dominant language, and it is now being done successfully in schools that have been reformed (under the pressure of school choice in particular). [↑](#footnote-ref-13)
14. Even if the money sent home by the immigrant is converted to the local currency and invested there, the bank or other entity exchanging the American currency for foreign currency would have to spend it or invest it back here, again creating jobs. This is what I mean by the qualifier "directly or indirectly." [↑](#footnote-ref-14)
15. Becker, Gary. *The Challenge of Immigration* (London: The Institute of Economic Affairs, 2011). [↑](#footnote-ref-15)