

Cato Institute Policy Analysis No. 5: Immigration Policy: A New Approach

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Executive Summary

Since economic migration is an investment, migrants tend to be young, ambitious, future-oriented, and, ultimately, economically successful. Immigrants, as both laborers and consumers, increase the country's total wealth. The illegal-alien "problem" is largely a creation of current policies. Open immigration would help the American economy, save tax dollars, enhance America's image abroad, and substantially reduce our foreign-policy costs.

President Reagan has proposed a new immigration policy for the United States that includes a slight increase in the number of immigrants permitted from Canada and Mexico, a ten-year waiting period for permanent resident status for illegal aliens already in this country, a revival of the guest worker ("bracero") program, and stiff penalties for employers who knowingly hire illegal aliens. The proposal has been roundly denounced by Latino groups as well as by many members of Congress. Sen. Edward Kennedy (D-Mass.) said there was no demonstrated need for Mexican workers while Americans remain unemployed, and Sen. Alan K. Simpson (R-Wyo.) questioned the need for employer sanctions and asked why a counterfeit-proof identification card was not required.

In all the debate over immigration, no one seems to be considering the possibility of returning to America's traditional open immigration policy. Yet that policy, which served us so well until the introduction of the quota system in 1921 and which allowed many of our ancestors to enter the United States, has much to recommend it. Both the theory of migration and our experience with immigrants suggest that an open immigration policy would be in the interests of U.S. citizens.

Theory of Migration

What is immigration? Quite simply, it is the movement of people from a foreign country into our country. Immigration differs only slightly from the ordinary migration of people -- changing jobs, moving away from home, or just plain adventuring. The only difference between intracountry migration and immigration is the fact that immigrants, by definition, cross national boundaries. This difference, however, turns out to be crucial for the lives of the thousands of individuals who wish to migrate. For them, the restrictions imposed on crossing the border mean additional expense and delays, instead of the ordinary problems facing a family moving from New York to Texas in search of a better job. For this family, the biggest problem may be finding a reliable moving company, while for the immigrant family the key question is whether they will be permitted to move at all.

Why do people move? They may move for economic reasons: to have a better job or a better chance of getting a job. They may move for personal reasons, to be with friends or to be in a nice climate. They may move for political reasons, to avoid oppression or dictatorship. What all these things have in common is that the movers believe they will be better off, whether economically, personally, or politically, as a result of moving. People undertake the great effort

of uprooting themselves, abandoning the familiar, and spending money to move themselves and their belongings only because they believe they will be better off.

What kind of person migrates for economic reasons? Since economic migration is an investment, we expect that movers would be those who have a long pay-back period over which to recoup their investment. Thus we expect that migration should be concentrated among younger people. And the evidence fulfills this expectation, both for international migration and intracountry migration in many, many countries.

Migrants should also be those who are most likely to have higher earnings in the new place. It is almost impossible to tell ex ante who these people are likely to be, but after the fact, it seems that migrants are more economically successful than natives. Thomas Sowell has found that blacks who have migrated from the British West Indies have higher earnings than native-born American blacks. ^[1] In another study, Barry Chiswick has found that despite language and cultural barriers, most immigrants surpass the earnings of the native-born in about ten to twelve years. ^[2] The reason for these dramatic findings is that the most ambitious and energetic are the people who migrate. Migrants are exceptional people, more forward-looking than others, more eager to seize an opportunity. These traits are invisible before the fact to outside observers such as social scientists or immigration officials. Yet the migrants seem to select themselves on these characteristics without any prodding from others. It is only in the interest of the most able to undertake all the costs of moving and so, only the relatively able move.

Besides being exceptionally ambitious, immigrants tend to be more strongly future-oriented. Paul Schultz of Yale University found that immigrant children have better health and more schooling than do children of comparable native-born Americans. ^[3] Both health and schooling of young people are known to be the products of investments by parents. Thus immigrants invest more not only in the physical capital of their businesses but also in the human capital of their children.

The very strong pull of economic opportunity lures the most economically able. Noneconomic migrants probably will not be as financially successful as either the economic migrants or the native-born. Although people who migrate for personal reasons are difficult to distinguish from people who migrate for economic reasons, the political refugees can be isolated and studied separately. Chiswick has found that while both Cuban and Indochinese refugees improved their economic status over time, neither group was as successful as other immigrant groups. Thus the economic theories about the characteristics of migrants are well supported by available evidence. ^[4]

Economic Impact of Migration

One of the major concerns motivating restrictionist immigration policy is that the newcomers will take jobs away from Americans. This fear is groundless. The error here is in viewing the economy as stagnant and the number of jobs and quantity of wealth as fixed. Under this view, one man's gain is another man's loss; a person gets a job or acquires wealth only at the expense of someone else. Although this idea of a fixed amount of wealth is widely held, it is not a very useful way of understanding an economy.

An economy is like a living organism and grows or contracts as it is fed or starved. The food for a healthy economy is incentive, because incentive is what makes it worthwhile for people to be imaginative and enterprising, which in turn will cause the economy to expand. Obviously, a growing economy can accommodate additional workers without anyone losing his job. Even if the economy is not already growing, the ambition and energy of immigrants can fuel the economy. Far from taking jobs, the newcomers may create jobs for themselves and others that simply would not have existed without the migration. How many Americans intend to start a Cuban restaurant, an Oriental gift shop, or a home day-care center? The most able of every skill and education level are those who migrate, allowing us to skim the cream of the world's crop of ambition .

Even if the immigrants were not unusually energetic, the country would be better off because of the additional labor. An expansion of the nation's productive input base (and labor is the most important single input) will increase the total wealth. The country's wealth will be increased by the effort expended by the newcomers.

In terms of the theory of international trade, we can reason as follows: The migrants will come from abroad and offer

their services. This may depress the wages of any groups they compete with directly, just as lots of new day-care centers may depress day-care prices. (It should be noted that economists don't really know how many new entrants to a market are required to lower the price.) Critics of open immigration usually end their argumentation here, but this is not the end of the story. We can go in three directions: 1) the competing labor, 2) the migrants as consumers, and 3) all consumers as a group.

The workers who compete with immigrants are most likely to be unskilled workers, since most migrants initially do unskilled labor. These U.S. workers have a competitive advantage because they know the language, the culture, and the job. In competition with foreigners, this knowledge counts for a great deal. Besides, the unskilled wage could be lowered by anything that increases the supply of unskilled labor, an increase in married women returning to the labor force, an increase in postretirement part-time jobs, or a lowering of the age of young people taking their first job. Yet no one would want to legislate against these demographic changes.

More importantly, the native U.S. workers are not rocks sitting unchangingly in place. Americans now have an incentive to try to find a better job or to get further training. The incentive to invest in yourself is the difference between the skilled and the unskilled wage. To the extent that the unskilled wage falls, the benefits of additional training are greater. Also, a large part of the cost of going to school is the value of the earnings forgone while in school. This lower cost of investment also induces more training. Thus we may expect to see young people staying in school longer, older people taking more on-the-job training, and people of all ages searching longer for a good job.

Although the first effect of immigration may be to lower the wages of the unskilled, migrants also play a role in increasing demand. The newcomers will spend their earnings on all sorts of goods and services. This increase in demand for goods will in turn increase the demand for all types of labor to produce them. This increase in demand for all types of labor partially offsets the tendency for unskilled wages to fall.

Finally, to the extent that wages fall in some sectors, lower prices of goods will usually result. The consumers paying those lower prices are necessarily better off. This is the traditional free-trade argument against protectionism. The lower prices benefit a great many people by a small amount, while the higher, restrictionist prices benefit a few people a great deal.

Domestic Parallels: "New Yorkers need not apply"

The fallacy of restrictionist arguments is exposed by considering intracountry migration. People in Texas and California don't seem to be worried about New Yorkers taking jobs away. Anyone can see that more people in the community will add to the goods and services available and contribute to the overall health of the economic community. If anything, the Southwest seems to be proud that people want to move there to find work.

On the other hand, some other kinds of domestic policies do have the effect of restricting incoming migration. The most dramatic and obvious of these policies are zoning ordinances. Zoning can be arranged so as to make it quite expensive to build new housing, giving a capital gain to the people who already have houses in an area. Zoning can also exclude low-income families from an area by requiring a lot of acreage, or some minimum distance away from other houses or the street. While these policies limit people moving into the area, no one pretends that the reason is that the newcomers might take away jobs. It is common knowledge that the restrictions are designed either to yield capital gains to the present residents or to exclude "undesirable" neighbors. No one argues that these restrictions are good economically; they are defended solely on aesthetic grounds.

At the same time that some cities and communities are trying to keep people from moving in, other areas are trying to keep businesses from moving out. There have been several serious proposals to prohibit businesses from leaving a community without serving notice or paying some kind of damages. These proposals amount to proposals of slave capital, rather than slave labor. The owners of the plant are thought to be bound to the community. At the heart of this type of restrictionism is really the fixed-wealth fallacy. If the business moves, can't the people move as well? And why is it that so many businesses want to move in the first place? They must feel they will be more profitable elsewhere. Which means more wealth for the whole community. Why are so many people leaving the Northeast? Part of the explanation may be the business climate. It may also be that with greater wealth, more people want to move to pleasant locations in the Southwest and Far West. Because of the attractiveness of the area, people may be willing to

move there and accept lower wages. Businesses may simply be following that trend and following the people. In any case, when viewed domestically, it is obvious that restrictions on either firms or workers changing locations are actually harmful to the economy. Since there is no real economic difference between intercountry and intracountry migration, it becomes easier to see the fallacies of arguing that the nation will be hurt by immigration.

Even though immigration is good for the country as a whole, some people may be worse off in the short run. In particular, the groups who directly compete with the immigrants can get a capital gain if they can restrict competition from migrants. By preventing immigration, they can keep their own wages from being bid down and thus protect their own position, much as property owners in a rapidly growing area can artificially prop up their property values by restricting new construction. In the absence of the restrictions, though, the workers would have an incentive to better themselves by moving on to better jobs. Thus the short-sightedness of these groups prevents the entire nation from enriching itself by accepting energetic newcomers. This sort of argument for restrictionist immigration policy is really an argument for freezing the whole economy rigidly in place so that no one will ever experience any risk or 1088. This brings us right back to the fixed-wealth fallacy held by 80 many proponents of both trade and immigration restrictions.

Current Policy

Current U.S. immigration policy is focused primarily on the reunification of families. No numerical limitations apply to the children and spouses of U.S. citizens or to the parents of U.S. citizens aged twenty-one or over. Other immigrants are admitted according to a seven-category preference system. The total number of immigrants admissible annually under these categories is 290,000 worldwide, with a limit of 20,000 per independent country. The preference categories are:

- First preference (unmarried sons and daughters of U.S. citizens): 20% of overall limitation.
- Second preference (spouses and unmarried sons and daughters of aliens lawfully admitted to permanent residence): 20% plus any numbers not required for first preference.
- Third preference (members of the professions or persons of exceptional ability in the sciences and the arts): 10%.
- Fourth preference (married sons and daughters of U.S. citizens): 10% plus any numbers not required by the first three preference categories.
- Fifth preference (brothers and sisters of U.S. citizens aged 21 or over): 24% plus any numbers not required by the first four preference categories.
- Sixth preference (skilled and unskilled workers in short supply): 10 % .
- Seventh preference (refugees): 6%.
- Nonpreference (other immigrants): numbers not used by the seven preference categories. [\[5\]](#)

The ordering and percentages of these categories reveal the goal of reunification of families. In addition, immigrants seeking admission under the third and sixth categories must meet the labor certification process. "Aliens seeking to enter as immigrants under these classifications may do so only if the Secretary of Labor certifies that there are not sufficient 'able, willing, qualified and available' U.S. workers, and that the aliens' admission will not adversely affect the wages and working conditions of similarly employed U.S. workers." [\[6\]](#) This cumbersome process is obviously a direct reflection of the fixed-wealth fallacy discussed earlier. Note that the secretary of labor is not required to find out whether the alien will increase demand for other types of labor or will cause prices to fall for consumers of his product.

President Reagan's proposals would make only cosmetic changes in this policy. He rejected even the modest recommendation of the Select Commission on Immigration and Refugee Policy, which was appointed by President Carter and recently presented a report to Reagan, to increase the overall limitation from 290,000 to 350,000 annually. [\[7\]](#) Instead, he proposed only an increase from 20,000 to 40,000 in the quotas allowed to Canada and Mexico. This is still quite a restrictionist policy, which fails to acknowledge the real level of immigration from Mexico.

"The Good Old Days"

Opponents of open immigration often claim that we can't return to the good old days of the nineteenth century. The two major differences cited between now and the era of free immigration are the increased population and an expanded welfare system. Neither of the differences conclusively argues against an open policy.

The population argument is basically that the United States is too crowded. We could admit over a million immigrants without ill effects in 1907 because we had plenty of room. Although our population density is higher now than at the turn of the century, it is lower than most of the developed countries of the world. More importantly, there is no reason to believe that a more densely populated country will be a poorer country. Japan and Hong Kong are the obvious counterexamples with high per-capita incomes in very dense populations. One can also imagine reasons why more populous areas may be more productive. The entire field of urban economics is devoted to explaining why cities form. People choose to live close to each other and hence form cities because there are lots of advantages to urban living. Among these productive benefits are reduced transportation costs between producers, increased specialization due to larger local markets, and increased economies of scale generally. In short, there is neither empirical nor theoretical reason to believe that increased population density will decrease per-capita income.

The widely held concern about immigrants going on welfare, on the other hand, is more understandable, but it is easily resolved without a restrictionist immigration policy. First of all, since 1882, the immigration statutes have allowed for the deportation of aliens "likely to become a public charge." Interestingly, public assistance was nowhere near the level it is now. With the advent of the New Deal and Great Society, each social program made its own provisions for the eligibility of immigrants. Only aliens admitted for permanent residence and refugees are eligible for SSI, AFDC, and other programs. Nonimmigrants (such as tourists and students), temporary workers (such as Mexicans and Jamaican farmworkers), and illegal aliens are specifically not eligible for any public assistance. ^[8] The rationale for this division is that the aliens admitted for permanent residence and refugees should be treated virtually as citizens, with all of the responsibilities and some of the privileges. In addition, refugees have probably been included for humanitarian reasons.

This is probably not a sound policy, since we may then attract people who want welfare rather than opportunity. New York City blamed many of its financial problems on the influx of poor people wishing to take advantage of the city's generous public assistance. In both the intracountry migration and intercountry migration, strict residency tests would alleviate the problem of migration for public benefits. This is not strictly an area of immigration policy, however, since the authors of each public assistance program establish eligibility requirements. These laws could be amended to limit eligibility to those who have resided in the area for some rather lengthy minimum period of time, such as five years.

If the purpose of welfare is to assist those citizens who are temporarily destitute, then the need for such a residency requirement seems obvious. The program is for those who are part of the community and will be around long enough to contribute to it. But this is not the way the program is set up at all. It seems to be set up to encourage as many people as possible to remain dependent on the state for as long as possible. What conceivable motive could there be for such a policy? Some cynics would argue that politicians want to have large numbers of voters dependent and grateful. This obviously is more applicable to intracountry migration than to immigration proper, since eligible immigrants are few in number and unable to vote. However, the basic suspicion is not entirely far-fetched. Around the turn of the century, the Federal Bureau of Immigration noted with concern the "easy naturalization of large blocs of immigrants for political purposes just before election days." ^[9] Strict residency tests for public assistance would go a long way toward alleviating the fears of many Americans.

Unfortunately, the Supreme Court has ruled that such residency tests are unconstitutional. Supreme Court decisions are reversed on occasion, however, and we may hope that the Court will reverse itself on this issue. Pending that, tightening eligibility requirements in general and opening up currently restricted areas of the economy will encourage work and discourage welfare for all Americans, both native-born and immigrant.

This whole discussion obscures the facts, however. Immigrants do not in fact collect significant amounts of welfare. A Department of Labor study by David North and Marian Houston in 1976 reported:

This group of illegal alien workers were significantly more likely to have participated in tax-paying systems (many of which are automatic) than to have used tax-supported programs ... while 77 percent of the study group reported that they had had social security taxes and 73 percent reported that they had federal income taxes withheld. Only 27 percent used hospitals or clinics, four percent collected one or more weeks of unemployment insurance, four percent had children in U.S. schools, one percent

participated in U.S.-funded job-training programs, one percent secured food stamps, and 0.5 percent secured welfare payments.

A study by the San Diego County Human Resources Agency found similar results, estimating the county's annual cost in social services to illegal aliens at \$2 million and the aliens' yearly tax payments at more than \$48 million. As Stephen Chapman wrote in the Washington Monthly, it's not unfair to say that "instead of aliens being a burden to the rest of us, it's the rest of us who are a burden to the aliens."

Illegal Aliens

By now it should be obvious that the illegal alien problem is largely a creation of government. Substandard working conditions and lack of civil rights are due to the extralegal status of these undocumented workers. If they are known to be in the country illegally, they are vulnerable to exploitation because they have so little legal recourse. To the extent that the illegals are working for wages below legislated standards and in below-standard conditions, too, this problem can be solved by removing their legal onus. However bad the standard of living of the illegals may be in this country, their life must be much worse in Mexico. They are not forced to come here, they come because life is better here than in Mexico.

It should be noted that some illegal aliens are not particularly exploited, since their employers simply do not inquire into their immigration status. An unknown number of these people simply work alongside other immigrants or American workers under exactly the same working conditions. Significantly, their employers most likely withhold all the same payroll taxes as for any other employee. Although no one knows what percentage of the undocumented workers are known by their employers to be illegal and what percentage are simply working surreptitiously, certainly many illegals are actually taxpayers. A general amnesty for undocumented workers would bring all of these people into the mainstream economy, where they would be less vulnerable to economic and civil exploitation. Many Americans in the border states are resentful of paying for public services like schools and hospitals that serve the families of non-taxpaying illegals. General amnesty would solve this problem as well since workers who are presently illegal would be treated like everyone else.

Among the alternatives to amnesty and open immigration is a program of "increased enforcement, employer sanctions and a counterfeit-proof identification card." Senator Alan Simpson claims that "if we don't have all three, we ain't got nothing. Only then can we start talking about amnesty." [\[10\]](#) The last two items of this triad are clearly discriminatory and will intensify existing racial problems and will create new ones. If employers are to be sanctioned for hiring illegals, the immigration status of any Mexican-looking person will have to be carefully checked. This obviously increases the cost of hiring not only illegals but Mexican-Americans as well. Mexican-Americans who have been citizens for generations will have to prove it before they can get a job. Many Mexican-Americans have opposed employer sanctions against hiring illegals for just this reason. [\[11\]](#) The same concern applies to the identification card. Not only will immigrants have to be issued an identity card but all Mexican-looking citizens as well. The lawmakers may go to the logical conclusion and issue every American such a card. This development has been opposed by civil-liberties groups because of the possibility of abuses. [\[12\]](#) Cards could be withheld for political reasons just as income tax returns are audited to harass enemies of those in power. The proposal of national identification cards should be resisted by Mexican-Americans and by all Americans. This is not the solution to immigration and racial problems.

In yet another proposal to stem the flow of illegal aliens, the Reagan administration is proposing to expand the provisions for temporary workers. In the past, these programs amounted to employers, usually in agribusiness, contracting alien labor under the supervision of the government. Under these contracts, the aliens were required to remain with the employer who hired them. Typically, many workers deserted these jobs for more lucrative industrial jobs and in doing so lost their legal status. The U.S. and Mexican governments attempted to regulate wages and working conditions, but the agricultural jobs simply couldn't compete with the industrial sector. The supreme irony of these government attempts to protect the temporary workers is that if they had been permitted to go to industrial jobs, the growers would have been forced to pay higher wages. The unwitting result of the extensive negotiations between the U.S. and Mexican governments was to deliver a steady supply of cheap labor to the growers. [\[13\]](#)

This problem of illegal immigration has been a recurring one since the advent of restrictionist policies. In 1954 the INS

made a concerted effort to control the flows. The result was called "Operation Wetback" and universally deemed a success. The 1955 INS annual report concluded that "the so-called 'wetback' problem no longer exists.... The border has been secured." ^[14] The commissioner of the INS who accomplished this feat was retired Army General Joseph Swing, who was appointed in the spring of 1954. The INS annual report reveals the tactics and character of Operation Wetback.

A large scale task force operation in the Southwest, working in proximity of the border, accounted for a great majority of apprehensions. This "Special Mobile Force Operation" began in California in the last days of fiscal 1954 and after the backbone of the wetback invasion was broken in California, shifted to South Texas. Mobile task forces were assembled and set into action. Light planes were used in locating illegal aliens and directing ground jeeps to effect apprehensions. Transport planes were used to airlift aliens to staking areas for prompt return to Mexico....

These activities were followed by mopping up operations in the interior and special mobile force units are continuing to discover illegal aliens who have eluded initial sweeps through such cities as Spokane, Chicago, Ransas City and St. Louis, which removed 20,174 illegal Mexican aliens from industrial jobs. ^[15]

Advocates of increased enforcement should recall the militaristic tactics used in Operation Wetback and the price paid by the Mexican-American community. The incentives for immigration are so strong that it can't be stopped with anything short of military force.

Refugees

Refugee policy is a slightly different area of concern from illegal aliens, but many of the problems are seen in the same way. Americans view both groups as massive floods of people from a very different world. Along with the economic problems, many people worry about our country's ability to assimilate these groups.

U.S. refugee policy is focused on the twin concerns of humanitarianism and foreign policy. The humanitarian concern is obvious to anyone who has seen pictures of the Cambodian boat people or heard stories of the Haitian refugees. We feel we want to reach out to people who are suffering through no fault of their own. So great is this emotion that in Miami there are many permanent voluntary relief organizations that have assisted Cubans and other Caribbeans over the years.

In the latest wave of Cuban refugees, these private organizations were instrumental in settling the flood of newcomers. As of September 17, 1980, 124,500 Cubans had been admitted and processed since April 1980, along with about 7,000 Haitians. During that five-month period, some 89 percent of the Cubans and 82 percent of the Haitians had been resettled. ^[16] Many of the Cubans had relatives in the United States; estimates range from 40 percent to 78 percent. Some of these families had been separated for twenty years. Despite the often repeated claim that Castro was emptying his jails and asylums, officials of the INS estimate that less than 1 percent of the refugees have actual criminal records. Obviously, many persons defined by Castro as criminals are not criminals at all but rather are political prisoners. The genuine criminals are currently being held in federal prisons with their final destinations uncertain.

I am aware of no reliable estimates of numbers of refugees on welfare or their duration of receiving public assistance. One observer claimed that the percentage of refugees on welfare was lower than that in the rest of Dade County, Florida. ^[18] Also, according to Chiswick's work on Vietnamese refugees, those who were on welfare had been on it for an average of under a year. ^[19] In Florida, particularly in Miami, the numerous Cuban fraternal organizations provided private assistance to the newer Cuban refugees. According to some sources, the black community in Miami is beginning to do the same for the Haitians.

Finally, it is heartening to note that in all of the public testimony from Florida heard by the Select Commission, the view was continually expressed that the refugees had contributed to the community. From the Chamber of Commerce to the Catholic Church to private individuals, everyone uniformly praised the cultural and economic contributions of

the past refugees. In fact, it was from refugee-heavy Florida that the Carter administration received the harshest criticism of its exclusion of Haitian refugees. This moving quotation from that testimony is typical.

The lack of services and the lack of access to services force undocumented Haitians to a special ghetto within the low-income part of the city.

Black residents welcome Haitians and feel compassion as we do when look in the paper and see a picture of a swollen belly of a Cambodian child....

Though I'm reluctant to comment on it, what I see offends me. Our national lack of responsiveness to the Haitians makes me wonder if this indifference would have ethnic or racial implications. [\[20\]](#)

As of now, a few problems of assimilating the Caribbean refugees still remain. There are still over ten thousand in "detention camps" across the country (as of September 17, 1980). [\[21\]](#) Most of these people are single young men with no family in this country. They are described by officials as being "tough" and taking advantage of weaker people. It is unfortunate that these people are being detained. They have committed no crime except escaping Cuba.

Foreign Policy

The foreign-policy element of refugee programs, as indeed of all immigration policy, has argued variously for open immigration and for restrictionism. The United States may decide to accept refugees to embarrass an enemy country or to refuse other refugees to avoid embarrassing an ally. The contrast between the U.S. policy toward Cubans and Haitians is a case in point. The United States has no diplomatic relations with Cuba and has accepted a great many Cubans since Castro's revolution. This may have been a primary motive in Carter's decision to accept the ten thousand Cubans at the Peruvian embassy in April 1980. As such, it was a brilliant foreign policy coup: Many Latin American nations were openly distressed by the evidence of dissatisfaction in Cuba and were downright angered by Castro's subsequent callous treatment of the intended emigrants.

In contrast, the United States has been friendly with the Duvalier government in Haiti for twenty-two years. For the first seven years of large-scale emigration from Haiti to the United States, the United States denied requests for political asylum. The State Department's official position is that the Haitian refugees are economic migrants rather than political refugees, despite the evidence of political oppression gathered by independent sources including Amnesty International, the Organization of American States, and the Lawyers' Committee for International Human Rights.

Many people, particularly black leaders, believe the Haitians are being excluded for racist reasons. Whether or not this is true, the hypothesis that immigration policy is tied to foreign policy can be supported by other incidents as well. For instance, if the United States had been concerned about the living and working conditions of illegal Mexican nationals in the 1950s, why did the INS deport them to Mexico, where conditions were much worse? The Mexican government was embarrassed by the large-scale exodus of her citizens to the United States, but Mexico simply could not compete with the opportunities offered by the United States.

It seems obvious that political oppression is widespread in Haiti. There are widespread reports of people being killed or jailed upon their return to Haiti from the United States. In the United States, the Haitians are vulnerable to economic and legal exploitation because of their dubious legal status. But refugees and immigrants will continue to be used as pawns in foreign-policy maneuvering as long as governments have the authority to restrict the free flow of people.

An open immigration policy would provide good advertising for the American way of life. If oppressed peoples from all over the world were allowed to come here, live their lives and retell their stories, how long would the Third World be deceived by the lie that is communism? Ironically, during the McCarthy era, suspicions of immigrants were at an all-time high. "Nativism" took the form of implicit accusations that migrants from Soviet-bloc countries were selling secrets. The fear of communist infiltration dominated any desire to help the victims of communism. Yet our humanitarian concerns should be directed toward individuals, not toward geographic areas. For a timely example, even under the present restrictionist laws, we could admit a full seventeenth of the population of El Salvador per year.

This leads to a crucial point: Open immigration is a humane and cost-effective alternative to war. There is nothing more seductive than a "just" war, against dictatorship and oppression. Yet if we're really concerned about the fate of the Salvadorans, wouldn't it be cheaper and easier to let them come here, than to fight a war, ostensibly on their behalf? If we were really concerned during World War II with the plight of the Jews, why didn't we just let them come here? In fact, the restriction allowing the deportation of "persons likely to become a public charge" was invoked quite regularly to deny entry to Jews whose only capital was their human capital.

Another foreign-policy area that could be made more efficient by increased immigration is foreign aid. Many people argue that immigrants won't increase demand for American goods because they will send money back to relatives in their home country. This will have the effect of giving aid directly to individuals in other countries. Whether these countries are economically depressed or politically oppressed, aid is going directly to people who need it. U.S. gifts of foreign aid, whether directly to foreign governments or through international agencies such as the World Bank, have been criticized for their failure to actually help people in need. Direct gifts from one person to another avoid the problems inherent in political transfers from one government to another. Thus we might argue that after pursuing an open immigration policy and substantial private gift giving, we owe nothing more to underdeveloped countries. Indeed, such a policy would be far more humane than the present policy of layers of trade, credit, and migration control on the one hand, with attempts to placate the Third World with "foreign aid" on the other hand, crumbs given not to persons in need but to governments.

Conclusion

The restrictionist immigration policies of the past have created as many problems as they have solved. Illegal aliens were never a problem until the law attempted to brand as criminals those who tried to better themselves by coming to this country. And far from hurting the national economy, the migrants, as shown by the history and economics of immigration, are good for the economy. The resources used by governments to process immigrants, seal the Mexican border, and certify migrant labor could be better spent by taxpayers themselves to expand existing businesses and start new ones. Finally, free immigration would enhance America's image abroad and substantially reduce our foreign-policy costs.

Notes

1. Thomas Sowell, *Race and Economics* (New York: Longmans, 1975).
2. Barry Chiswick, "The Effect of Americanization on the Earnings of Foreign Born Men," *Journal of Political Economy*, October 1978, pp. 897-922.
3. T. P. Schultz, "The Schooling and Health of Children of Immigrants and Natives," Department of Economics, Yale University, 1980.
4. Barry Chiswick, "An Analysis of the Economic Progress and Impact of Immigrants," mimeographed (Washington, D.C.: Employment Training Administration, U.S. Department of Labor, June 1980), NTIS PB80-200454.
5. U.S. Congress, Senate Judiciary Committee, *U.S. Immigration Law and Policy 1952-1979*, May 1979, pp. 86-87.
6. *Ibid.*, p. 93.
7. Executive Summary of the Final Report and Recommendations of the Select Commission on Immigration and Refugee Policy, *U.S. Immigration Policy and the National Interest*, March 1, 1981.
8. U.S. Congress, Senate Judiciary Committee, *U.S. Immigration Law and Policy 1952-1979*, May 1979, pp. 94-95.
9. U.S. Congress, Senate Judiciary Committee, *The History of the Immigration and Naturalization Service*, prepared for the Select Commission on Immigration and Refugee Policy, December 1980.
10. Quoted in a *Los Angeles Times* article reproduced by the *Stanford Daily*, "Congress Works on New Immigration

Policy," June 23, 1981.

[11.](#) Richard B. Craig, *The Bracero Program: Interest Groups and Foreign Policy* (Austin, Tex.: University of Texas Press, 1971), p. 75.

[12.](#) "Should the U.S. Open Its Doors to the Foreigners Waiting to Come In?" *National Journal*, March 7, 1981.

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