

57. Immigration

Congress should

- expand, or at least maintain, current legal immigration quotas;
- remove the new one-year time limit on filing for political asylum;
- reform the “expedited removal” laws;
- repeal employer sanctions;
- stop the move toward a computerized national identification system and the use of government-issued documents, such as birth certificates and Social Security cards, as de facto national ID cards; and
- increase permanently the number of H1-B visas and deregulate employment-based immigration to facilitate the entry of skilled immigrants.

America was founded and shaped by immigrants seeking freedom and opportunity. Since records were first kept in 1820, our nation has absorbed more than 60 million immigrants. Those new Americans have almost universally embraced American culture and values, serving bravely in our armed forces, founding some of our most successful companies, and pioneering advances in science, technology and industry. Immigrants have been crucial to America’s dominance and dynamism in the global economy.

The overriding impact of immigrants is to strengthen and enrich American culture, increase the total output of the economy, and raise the standard of living of American citizens. Immigrants are advantageous to the United States for several reasons: (1) Since they are willing to take a chance in a new land, they are self-selected on the basis of motivation, risk taking, work ethic, and other attributes beneficial to a nation. (2) They tend to come to the United States during their prime working years (the average age is 28), and they contribute to the workforce and make huge net

contributions to old-age entitlement programs, primarily Social Security. (3) They are more likely to start new businesses than are native-born Americans. (4) Many immigrants arrive with extremely high skill levels, and virtually all, regardless of skill level, bring a strong desire to work. (5) Their children tend to reach high levels of achievement in American schools and in society at large.

Immigration Today Is Low by Historical Standards

The United States maintained an unrestricted immigration policy during the 17th, 18th, and 19th centuries. Only the Chinese Exclusion Act of 1882 and some qualitative restrictions altered that policy. But in the 1920s Congress responded to rampant xenophobia and bizarre theories about racially “inferior” immigrants by establishing strict quotas that favored immigrants from northern Europe. In 1965 Congress finally repealed such quotas and, in effect, increased the numerical limits. By 1990 Congress had raised the numbers and included more visas for people whose immigration is employment based.

Immigration levels today are not historically high in relation to the U.S. population. According to the most recent Census Bureau figures, 9.7 percent of Americans are foreign born, a figure that has been rising in recent decades but is significantly lower than the proportion—13 percent or higher—during the period from 1860 to 1930. The annual flow of legal immigrants, now roughly 1 million, is comparable in absolute numbers to the annual flow when immigration peaked in the first decade of this century. But as a percentage of the total U.S. population, immigrant arrivals today are relatively low. Figure 57.1 shows that immigrant arrivals as a share of the population—the most relevant measure of the impact of immigrants on our culture, infrastructure, and labor markets—are less than half the historical average. We can absorb, and have absorbed, far more immigrants than we do today.

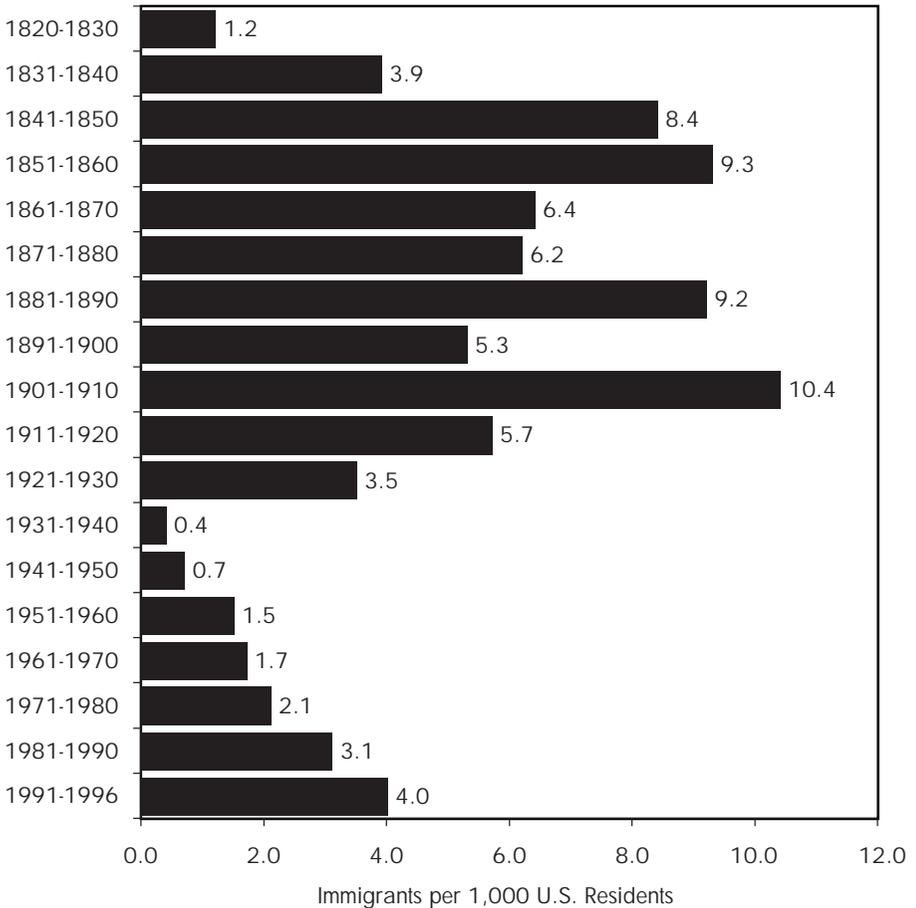
Immigration: Myths and Reality

Research demonstrates that the major arguments offered against immigration are not supported by the facts. The evidence supports the following conclusions.

Immigrants Are Not a Burden on Taxpayers

A comprehensive study in 1997 by the National Research Council determined that immigrants and their children, over their lifetimes, contrib-

Figure 57.1
Annual Rate of U.S. Immigration by Decade, 1820–1996



SOURCES: *Strangers at Our Gate: Immigration in the 1990s* (New York: Manhattan Institute, n.d.), p. 103; Census Bureau; and *1996 Statistical Yearbook of the Immigration and Naturalization Service*.

ute an average of \$80,000 more in taxes than they consume in government services. As one of the authors of the study, economist Ronald Lee of the University of California at Berkeley, explained in congressional testimony, “Most immigrants arrive at young working ages, with their education already paid for. At most ages, the total benefits immigrants receive actually cost less than those received by natives. Immigrants’ taxes help pay for government activities such as defense for which they impose no additional costs. Their taxes help to service the national debt. And immi-

grants will help pay for the baby boomers' retirement. These factors add up to a net positive impact on government budgets.”

Immigration improves the bottom lines of the two largest federal income-transfer programs, Social Security and Medicare. In a 1998 report, the Social Security Administration concluded, “The cost of the system decreases with increasing rates of immigration because immigration occurs at relatively young ages, thereby increasing the numbers of covered workers earlier than the numbers of beneficiaries.” The Illegal Immigration Reform and Immigrant Responsibility Act of 1996 has made new, nonrefugee immigrants ineligible for most welfare programs, further reducing the fiscal burden of immigrants.

Immigrants Create at Least As Many Jobs As They Fill and Have No Overall Negative Impact on “Native” Wages

By starting businesses and spending their income on products made by Americans and immigrants alike, immigrants create at least as many jobs as they fill. Simply put, immigrants increase the supply of labor, but they also increase the demand for labor. Since 1990, more than 7 million immigrants have entered the United States legally. During that time, the number of Americans with jobs has grown by 12 million, and both the unemployment rate and the total number of unemployed have fallen. Without immigration, America’s workforce would actually begin to decline by the year 2015.

There is no evidence that immigration reduces real wages of native workers. The 1997 NRC study concluded that any relationship between native wages and immigration is “numerically weak.” The only two demographic groups whose wages were negatively affected were high-school dropouts and other recent immigrants. Economists Rachel M. Friedberg of Brown University and Jennifer Hunt of Yale University wrote in the *Journal of Economic Perspectives* that “despite the popular belief that immigrants have a large adverse impact on the wages and employment opportunities of the native-born population, the literature on this question does not provide much support for this conclusion.”

Immigrants Are Not Eroding America’s Culture or Creating a “Balkanized” Country

Immigrants tend to personify such American values as initiative, hard work, and devotion to family. A CNN/USA Today poll found that more immigrants than natives believe that hard work and determination are the

keys to success in America. A study by the Manhattan Institute found that immigrants are more likely than are the native born to have intact families and a college degree and be employed, and they are no more likely to commit crimes. Immigrants, and especially their children, value education and learn English. A recent study by Michigan State University sociologist Ruben Rumbaut found that children of immigrant families in the 1990s achieved better grades, were less likely to drop out of school, and had higher ambitions for further study than did children from native families. While 90 percent of the high-school-age children from immigrant families spoke a language other than English at home, 88 percent preferred English as their first language. "English is triumphing with breathtaking rapidity," Rumbaut concluded.

Through our nation's history, immigrants have shouldered their share of the burden of defending our country. According to the Defense Department, more than 60,000 immigrants serve in the nation's armed forces today. Of the 3,400 men and women who have received the Medal of Honor since the Civil War, more than 700, or 20 percent, have been immigrants.

The "New" Immigrants Are Not Less Skilled or Educated Than the Old

Average education levels have risen each decade, though in recent decades immigrants' levels relative to those of natives have declined because of rapid increases in the educational achievement of natives. Legal immigrants, on average, are better schooled than the native-born population, with an average of 13 years of schooling, according to a 1997 study by the National Institutes of Health. The proportion of legal immigrants with postgraduate education is three times the native rate. Legal immigrants are also twice as likely as natives to have less than nine years of schooling, but this is more a reflection of poor educational opportunities in their countries of origin than of the personal traits of the immigrants.

Immigrants Do Not Harm the Environment

Assertions that immigrants will harm the environment by increasing the country's population growth rate contradict the experience of the past 50 years, which has seen environmental indicators improve while the population has increased.

That is not to say that immigrants do not impose some costs on the rest of us, that all immigrants who come are beneficial, or that our current

immigration policy could not be improved. In the short term, immigrants do cause more crowding in local hospitals and schools. But an honest appraisal of the facts shows that the benefits far outweigh the costs.

How Does the Legal Immigration System Work?

Current legal immigration is tightly regulated and limited by numerical quotas and per country ceilings that prevent people from a few countries from obtaining all the visas. Only refugees, close family members, and individuals with a company to sponsor them can immigrate. A limited number of “diversity” visas are also distributed to immigrants from “underrepresented” countries. All categories are numerically restricted, except for the “immediate relatives” of U.S. citizens, whose totals have not shown a long-term upward trend.

Under U.S. law, an American citizen can sponsor (1) a spouse or minor child, (2) a parent, (3) a married child or a child 21 or older, or (4) a brother or sister. A lawful permanent resident (green card holder) can sponsor only a spouse or child. No “extended family” immigration categories exist for aunts, uncles, or cousins. Three-quarters of all family immigration visas in 1995 went to spouses and children. The other one-fourth went to the parents and siblings of U.S. citizens.

Congress should reject any “cap” on the admission of refugees. Such a cap is designed to slash the number of refugees admitted and would prevent flexible responses to emerging world situations. The annual number of refugees is set each year by consultations between the president and Congress. The number of refugees admitted has been dropping in the last decade, from a high of 114,498 in 1992 to only 74,791 in 1996, a decline of 35 percent. While U.S. programs to settle refugees from Southeast Asia are winding down, Congress should keep the door open to refugees from other nations; it could even raise the cap to accommodate refugees suffering from religious persecution.

Unlike refugees, who are accepted for admission while still outside the United States, people seeking political asylum must first enter the country and then request permission to stay. Contrary to the popular impression, it is quite difficult to obtain political asylum. According to the Immigration and Naturalization Service, only 22 percent of the claims considered in 1996 were approved. INS administrative reforms corrected the system’s key problems (asylum applicants can no longer receive work papers and disappear into the workforce). The number of first-time claims has dropped

dramatically, and almost all new cases are completed within 180 days of filing.

The legislative changes contained in the 1996 immigration law were thus unnecessary and have created a new set of problems. There was no need to require individuals to file for asylum within one year of arriving in the United States, as Congress did in the 1996 immigration bill. Many victims of torture and persecution need time for their emotional wounds to heal and view asylum as an inevitable break with their families and followers back home. If a one-year time limit had been in effect in past years, 62.5 percent of those who later received asylum as legitimate refugees would have been denied asylum.

Another problem is the “expedited removal” provision of the 1996 law, which allows low-level INS officials to prevent those arriving without valid documents from receiving a full hearing of their asylum claims. It is not difficult to understand why people fleeing torture or other forms of persecution often cannot obtain valid travel documents from their own governments. The “extraordinary circumstances” exception to the one-year time limit and the summary proceedings established to screen those entering without valid documents do not ensure a high enough standard of procedural protection for people with legitimate claims.

Expedited removal has also created headaches at the U.S.-Canadian border. The new law, in force since April 1, 1997, has caused more than 18,000 people to be turned away at the border and more than 350 otherwise legitimate business travelers and tourists to be banned from entering the United States for five years because of minor irregularities in paperwork or mere suspicions. A related provision in the 1996 immigration law, section 110, will eventually require the documenting of every one of the 100 million people who cross the U.S.-Canadian border each year. Unless repealed, that provision will impose huge administrative costs and delay traffic across America’s long, undefended border with its number-one trading partner.

It is a human rights as well as an economic imperative that both the one-year time limit and the expedited removal provisions be changed.

Employment-Based Immigration

Immigrants are hired in addition to—not at the expense of—native-born Americans. The number of jobs in America is not fixed, so by permitting employers to hire skilled foreign nationals we help companies to innovate, grow, and compete in the global marketplace. The hostility

of opponents of immigration to employment-based immigration indicates that some people do not want even highly skilled immigrants to come here. But these are the facts about employment-based immigration:

First, the numbers are tiny relative to the size of the U.S. workforce. The total number of visas issued to people whose immigration was employment based (principals, not dependent family members) in 1996 came to approximately 117,000, or less than one-tenth of 1 percent of the American labor force.

Second, contrary to assertions that immigrant professionals are a source of “cheap labor,” the median salaries of foreign-born engineers and scientists are *higher* than those of their native-born counterparts who completed their Ph.D.s and master’s degrees in the same year, according to National Science Foundation and National Academy of Sciences data. U.S. firms typically pay a \$10,000 or higher premium in legal and relocation costs to hire a foreign-born worker.

Though overly bureaucratic, the system by which U.S. employers attract skilled foreign-born employees works fairly well. U.S. companies can hire skilled foreign nationals in a timely manner by using H1-B visas. Those visas are now generally approved within 60 days, though regulatory tie-ups may lengthen the time in the future. H1-B petitions are good for six years but must be renewed after three years. They are granted to nonimmigrants after a company agrees to pay the new employee at least the “prevailing wage” in that industry and geographic area. Nonimmigrants are not permanent residents and cannot progress toward citizenship.

There are at least two compelling reasons why an employer might wish to hire a foreign national: (1) The individual possesses unique knowledge. High-technology workers are not interchangeable. Workers laid off in one sector of the industry are not necessarily qualified to fill jobs being created in another sector. That is why it is bogus for opponents of a higher H1-B cap to point to layoffs in the high-tech industry as proof that more foreign-born workers are not needed. The skills of the laid-off workers may not match the demands of the new jobs being created. (2) The company is building a global workforce, in which case the individual would work in the United States for two to four years and then be employed by the company overseas. For example, more than 60 percent of Microsoft’s sales are now overseas, requiring the company to hire foreign-born workers with special language skills and cultural knowledge.

Legal Immigration Reform: What Congress Should Do

Congress has followed a policy of “immigrants yes, welfare no” by overwhelmingly rejecting cuts in legal immigration while at the same time passing a welfare bill that makes immigrants ineligible for public assistance. Immigrant welfare use, often overstated, is now a dead issue in the immigration policy debate. Since illegal immigration is the main concern, and legal immigration is not a problem, it is not clear why Congress needs to make more than modest reforms to the current legal immigration system.

Congress should continue to keep the issues of legal and illegal immigration separate. For legal immigrants, Congress should at least maintain current family categories and quotas. Ideally, Congress should raise the current numbers by, among other things, setting aside separate visas for the one-third of spouses and children of lawful permanent residents in the immigration backlog who are physically separated from their sponsors. It should do so without tearing apart the current family immigration system, as the U.S. Commission on Immigration Reform recommended. In particular, Congress should resist attempts to stop brothers and sisters from immigrating simply because a backlog exists in that immigration category.

Congress should reject any effort to impose a minimum education requirement on family immigrants, such as requiring a high-school-equivalent degree. First, immigrant families should not be kept apart simply because of a lack of educational opportunities in the country where their relatives remain. Second, while immigrants without a high school degree do, on average, consume more government services than they pay in taxes, the 1997 NRC study found that the economic success of their children more than offsets any loss to taxpayers. Third, although the number of immigrants that would be excluded by the educational requirement is relatively small, the provision could be seen as a back-door way of shutting out Latinos.

In September 1998 the House and Senate voted overwhelmingly to raise the H1-B cap from 65,000 to 115,000 in fiscal years 1999 and 2000 and 107,500 in fiscal year 2001. The increase will help relieve the high-tech worker shortage caused by the arbitrary and inadequate cap of 65,000 that has been in place since 1990. Unfortunately, the cap will revert to the lower level in 2002 unless Congress approves a larger quota. In the future, to accommodate growth of the economy and companies’ needs to expand, Congress should permanently raise the number of H1-B visas, adding annually at least 10 percent more than were used the prior year.

Also, the Department of Labor must streamline the labor certification process. The current regulatory scheme bears no relation to the competitive way companies recruit in the real world and should be eliminated or reformed to reflect market forces.

Illegal Immigration: What Congress Should Do

Illegal immigration is a problem that stems primarily from lack of economic opportunities in the countries below our southern border, not from lack of INS authority.

The INS has the resources to control the border if it employs intelligent strategies to deter illegal immigrant crossings. In the 1996 immigration bill, Congress approved sanctions against the illegal immigrants themselves, including those who overstay visas for six consecutive months. Unfortunately, enforcement depends on an agency that few observers now consider competent to do its job.

Congress should repeal employer sanctions. Passed in 1986 and widely viewed as a failure, employer sanctions have made it a crime to “knowingly” hire an illegal immigrant. It should be the job of the federal government, not private business owners, to keep out of the country people who are not supposed to be here. The General Accounting Office found that employer sanctions have created a nationwide pattern of discrimination.

Congress must oppose any further expansion of INS “pilot projects” to a full-fledged national computerized employment ID system. It should also prohibit any requirement that government-issued documents, such as birth certificates and Social Security cards, become de facto national ID cards, as was the intention of the 1996 immigration bill.

Under the computer system scheme, an employer would check an individual’s name and Social Security number against federal government databases. Similar verification programs tested by the INS and the Social Security Administration have proven to be unreliable, with typical failure rates of between 5 and 25 percent. If the database fails to confirm the worker’s legal status, the burden is on the employee to appeal. One of our most basic rights, the right to earn a living, would be at the mercy of an unreliable government computer system. Computer verification would also compromise the right to privacy and invite abuse by government officials.

Such a system would be impractical and open to fraud. There is simply no way for the employer (or the government) to know that the man standing before the employer is the real John Q. Smith. For such a system

to have any chance of working, the government would have to require Mr. Smith to provide blood or a fingerprint, store that information in a government database, digitize it on a card (possibly a driver's license), and make it available to be matched every time Mr. Smith changed jobs or engaged in some other activity requiring federal government clearance. No one knows how those databases might be used in the future.

A national computerized ID system would be fraught with fraud and errors, and it would not deter illegal immigration. Ultimately, we must recognize that less than 1.5 percent of the U.S. population resides here illegally. Congress must reject efforts to “solve” the illegal immigration problem by discarding the principles of individual liberty on which this nation was founded.

Conclusion

Few policies symbolize America's commitment to liberty as well as our willingness to accept immigrants. So long as immigrants are not burdening taxpayers—and the evidence is overwhelming that they are not—the rights of Americans are honored far more by permitting immigrants to work, reunite with their families, and find a safe haven from persecution than by closing the door.

Suggested Readings

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