

American Immigration

Holland Professional Club

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January 9, 2009

Tonight we'll talk about American immigration: People who were born outside the United States and voluntarily settled here after 1776. The U.S. government divides immigrants into legal permanent residents, legal temporary residents, refugees and unauthorized immigrants - also referred to as illegal or undocumented immigrants.

For perspective, I'll summarize the sweep of American immigration history. Then we'll discuss some contemporary immigration issues and my take on potential directions.

For the first sixty-five years of U.S. history there were no national immigration laws. In 1840, about 8 percent of free settlers in the United States were foreign born.

Native Americans were decimated by European settlers. Millions were killed by disease spread both deliberately and accidentally. Hundreds of thousands more were killed by force of arms. Following the Louisiana Purchase and as Native Americans were killed or forced out, settlers expanded west. The need for more people to settle America's vast lands spurred a wave of higher immigration that began in the 1840s and accelerated after the American Civil War of the 1860s.

The Sligh family was part of this immigrant wave. My great great grandfather James Sligh emigrated from Scotland to Canada in 1833 and then to New York. In 1846 he moved to Grand Rapids.

A few years ago our daughter Leslie was in the 3rd grade at Lakeview Elementary School here in Holland. Students in her class were asked to do a presentation on their ancestors. Leslie came skipping home one day to say that she was a Scottish lass - a Scottish-American - and that all her friends said their ancestors came from somewhere else as well. It was easy to appreciate her enthusiasm and it illustrates the American immigrant pride that typically lasts for generations.

In 1863 James Sligh was killed in the civil war. Great-grandfather Charles Sligh was 12 years old at the time and he quit school to go to work to help support his mom and sisters. Ultimately he took a job at a large furniture company called Berkey & Gay. Charles worked first in the plant and then as a salesman. In 1880 he founded Sligh Furniture Company in Grand Rapids.

Immigration ran high in that era. During the decade of the 1880s, American immigrants numbered over 5 million with the largest numbers coming from Germany and the United Kingdom.

Furniture business owners like great grandpa encouraged skilled workers from Europe to come to Grand Rapids. The churches played a key role, helping the new immigrants find housing and getting them settled in the Grand Rapids area. Immigrants were motivated by the expanded opportunities in their new homeland. They worked hard and with great skill in the furniture factories. By the year 1900, 40% of all those employed in the four-county area in and around Grand Rapids were working in some aspect of the furniture business. Back then Grand Rapids was known as the furniture city. And it was a city bustling with immigrants.

The 1850 to 1920 period was a golden age for American immigration. Over 31 million mostly European people immigrated to the United States during that 70 year period with the foreign born percentage of the American population rising to 15%.

Immigration's golden age was tarnished by its prejudice against East Asians. That manifested itself in the straight-forwardly named Chinese Exclusion Acts of 1882 and 1888, the so called Gentleman's

Agreement of 1907 that sharply reduced Japanese immigration and the Immigration Act of 1917 that barred from America virtually all East Asians.

While East Asians were kept out, we sometimes forget that Americans had plenty of concerns about other new immigrants, even during the golden age. Blaming new immigrants for domestic problems is after all something of an American tradition.

Take the Irish for example. Back in the golden age, the United States absorbed Irish newcomers at more than double the rate that we currently absorb Mexican newcomers. Irish immigrants in the 1800s settled into urban ghettos where crime and disease thrived. Most were uneducated. Many spoke no English. They worked as domestic servants, ditch diggers, dock workers and in other low-skill, labor-intensive jobs that were shunned by established Americans. The Irish were stereotyped as drunks and ne'er-do-wells. Shop signs said, "No Irish or dogs allowed." Some suggested the Irish should be rounded up and shipped back to Ireland before they destroyed America.

Of course the Irish did assimilate and many excelled to become doctors, lawyers, professors, presidents and entrepreneurs. In 2006, 31 percent of Irish Americans had earned at least a bachelor's degree compared to 27 percent for all Americans. Median income for households headed by an Irish American was \$54,000 in 2006 and that was 12 percent higher than the average. I suppose the statistics would be even more impressive for people with ancestors from Scotland.

Back in the golden age of immigration, established Americans didn't know how these immigrants and their descendants would turn out in the long run. Would that knowledge have diverted their mounting resentment?

As it was, high levels of American immigration in the late 19th and early 20th centuries triggered a major backlash that led to highly restrictive immigration quotas. A national origins quota system was established after WW1 and it constricted immigrant admissions to a trickle. By 1965 the foreign born percentage of the U.S. population plummeted from 15% to fewer than 5%.

The Hart-Celler Act of 1965 dismantled the national origin quotas and began a preference system that emphasized family unification. In 1980 the U.S. expanded annual admissions for refugees. Then in 1986 the United States granted amnesty and permanent residence to 3 million undocumented aliens. The foreign born percentage of the U.S. population bounded back to its present level of about 11 percent. Eleven percent foreign born today is lower than the 15 percent heights of the golden age. But it's a little more than double the 5 percent range of the 1960s. So for many Americans, immigration is once again an important concern.

In his book *Dividing Lines*, Rutgers University political science professor Dan Tichenor points out that, "...few issues have produced more incongruous political bedfellows than immigration." As one anonymous lawmaker cited by Tichenor observed, "Immigration makes arch-enemies into uneasy partners and old friends into awkward rivals."

Based on an analysis of American immigration history, Tichenor organized political attitudes into four types: Cosmopolitans, Nationalist Egalitarians, Free-Market Expansionists and Classic Exclusionists.

Let's have some fun with this. I'll read a description of the four types. At the end I'll ask you to raise your hand to show which description is closest to your own thinking. We'll start with Cosmopolitans.

The Cosmopolitans endorse expansive immigration and the full inclusion of newcomers in the political community. They believe large scale immigration is socially and economically beneficial and that our country's assimilation capacities are vast. Cosmopolitans support family unification, refugee relief and legal protections & entitlements for aliens. Influenced by labor unions, Cosmopolitans oppose foreign guest worker programs and support means to prevent unauthorized immigration. Cosmopolitans typically support policies that enable unauthorized immigrants to gain legal status once they're here.

Ted Kennedy is an example of a Cosmopolitan cited by Tichenor. As summarized on the flip chart, Cosmopolitans favor expansive admissions and expansive alien rights.

Keep in mind these Cosmopolitan views as I move on to describe Nationalists.

The Nationalists support immigration restrictions on the grounds that porous borders undermine economic opportunity for citizens. More than a century ago Frederick Douglass endorsed immigration limits lamenting that, “Every hour sees the black man elbowed out of employment by some newly arrived immigrant.” A generation later, labor union leaders championed immigration restrictions because they believed immigrants undercut wages, working conditions and job security for American workers. Other nationalists see immigration restriction as a means of preserving natural resources for existing citizens. Nationalists are uneasy about aliens living in America without the same rights as those enjoyed by citizens. Former Colorado Governor Richard Lamm is an example of a Nationalist that Tichenor cites. Nationalists favor restricted admissions and expansive alien rights.

Two more choices to go. First, Free-Marketers.

The Free-marketers welcome expansive immigration to meet labor market demand and promote national prosperity. Ronald Reagan envisioned, “America is really many Americas. We call ourselves a nation of immigrants, and that’s truly what we are.All of the immigrants who came to America brought their own music, literature, customs and ideas. The marvelous thing is they did not have to relinquish these things in order to fit in. In fact, what they brought to America became American. This diversity has more than enriched us; it has literally shaped us.” Free marketers celebrate entrepreneurial, self-sufficient newcomers. They see the benefits of expansive immigration in the same vein as the free trading of capital, goods and services. Free marketers generally feel that welfare and other public benefits should only be available to those who are legally here which leads them to suggest pathways for unauthorized immigrants to become citizens. Free-marketers favor expansive admissions and restricted alien rights.

Here’s the fourth choice: Classic Exclusionists or what I’ll call Protectors.

The Protectors favor sweeping restrictions of both immigrant admissions and alien rights. Protectors identify immigrants with welfare dependency, criminal behavior and political radicalism. The Protector tradition reached its apex during the mid-twentieth century era of national origin quotas. But Protectors are alive and well in today’s post-911 era. A modern example of a Protector sited by Tichenor is Pat Buchanan. Perhaps another person who could be considered a Protector is Lou Dobbs. Protectors favor restricted admissions and restricted alien rights.

I recognize that none of these four positions may perfectly line-up with your own thinking, but please vote for the one that’s closest. If your thinking is most like the Protectors, raise your hand.

Free Marketers? I’ll raise mine here as well.

Now raise your hand if your thinking is most like the Nationalists.

And finally, Cosmopolitans.

Reverting to the Tichenor vernacular, here’s how our Club voted.

Classic Exclusionists	0	0%
Free Market Expansionists	15	60%
Nationalist Egalitarians	3	12%
Cosmopolitans	7	28%
TOTAL THAT VOTED AT THE MEETING	25	100%

I'm not aware of any survey data showing what portion of Americans are in each of these categories. That would be interesting to know. My guess is that an important portion of the U.S. population is in each of the four. That helps explain why political action which relies on majority support is often difficult.

So far in the 2000s, legal immigration to the United States is averaging a little over a million people annually. The most recent numbers published by the U.S. government show 1,266,000 legal immigrants. That's for the year 2006. The legal immigration rate is 4.2 people per thousand Americans per year. Adding illegal immigrants, the rate is about 6.6 newcomers per thousand Americans per year. That's below the rates that were prevalent during the golden age - for example, in 1910 there were 11.3 legal immigrants per thousand Americans. But the current rate totaling 6.6 is nevertheless high enough to inspire passionate resistance to immigration, particularly from Nationalists and Protectors.

The number of legal immigrants currently in the U.S. totals 37 million. About 700 thousand unauthorized immigrants successfully enter the United States each year. Estimates of the number of unauthorized immigrants already here range from as low as 6 million to as high as 20 million. Probably 12 million is the most frequently cited estimate.

A hundred years ago, immigrants to America came mainly from Europe. Today the largest share - 41% - of legal immigrants comes from Central and South America, most prominently from Mexico and the Caribbean. 33% of legal immigrants come from Asia, most prominently China, the Philippines and India.

Unauthorized or illegal immigrants come most prominently from Mexico.

In the broadest sense, most people come to America for economic opportunity. Today, family preference is the leading category of admission. A child joins her parent. A parent joins his offspring. A spouse joins her partner.

Most economists agree that immigrants see their earnings rise sharply when they move to the United States. Native born citizens with at least a high school diploma benefit because immigrants help expand the economic pie. But native born citizens who failed to graduate from high school sometimes lose out, not only to immigrant competition but also in many other ways.

Generally economic studies show immigrants contribute a net positive to Gross Domestic Product. Most economists agree that the impact of well educated immigrants is significantly positive. The evidence is mixed as it relates to immigrants with low education and low skill levels.

Some people argue that the criteria for admitting immigrants to the United States should be changed to a system that awards points to those with scarce skills, higher education and English fluency rather than basing the decision primarily on family ties to those already here. Look, if we're going to let a million immigrants come in each year, let's at least favor scarce skills, higher education and English fluency. That just makes sense. Or does it? Can you see the news coverage in your minds' eye?

U.S. Congressman John Smith of Arizona introduced a bill today that would make it harder for people like Magdalena Lopez to become a legal immigrant. Magdalena risked a border crossing from Mexico to the United States while she was pregnant. She stayed with friends in Tucson until she had her baby who is a naturalized American citizen by virtue of his birth on U.S. soil. Magdalena hoped to stay in the U.S. under the family unification principle designed to keep families together. Congressman Smith's proposal to shift the immigration criteria to favor scarce skills, higher education and English fluency over family unification leaves Magdalena with the choice of leaving her baby with a foster family in the United States or taking her baby back to Mexico where she perceives there is less opportunity for him. Now let's cut to our television affiliate in Tucson to see what Magdalena thinks of Congressman Smith and his proposal....

Well, in this imaginary example, we don't envy Congressman Smith.

If we can't change the criteria for who immigrates to America, can we at least reduce the number of legal immigrants, at least for a while? After all, resources are strained. Unemployment is high. Why not at least take a breather from the one million plus annual level of legal immigrants?

A reason with merit is that fewer openings for legal immigrants are likely to cause an increase in the supply of illegal immigrants. Today the annual number of illegal immigrants - about 700,000 - is already a big number compared to the 1 million plus in legal immigrants. The Bracero program of five decades ago demonstrates the connection between openings for legal immigrants and the number of illegal immigrants.

During WWII, American agriculture faced critical labor shortages. The Emergency Farm Labor program led to the Bracero program that allowed Mexican farm workers to enter the U.S. legally as seasonal laborers. Farmers in border states and throughout the country benefited from the Bracero program that ran from 1951 to 1964. In Holland, Michigan the program helped farmers harvesting blueberries and other crops. Twenty-two million Mexicans entered the U.S. during the two decade history of the Bracero program and its Emergency Farm Labor predecessor.

Stuart Anderson, a former INS official found that illegal immigration declined precipitously by 95% during the Bracero period. A 1980 Congressional Research Service report concluded that, "without question, (the Bracero program was) instrumental in ending the illegal alien problem of the mid-1940s and 1950s."

In the early 1960s the Bracero program was phased out after opposition from labor unions. Nothing comparable emerged to replace it, so illegal immigration resumed and expanded.

Why not put in place today a Bracero-like guest worker program to reduce illegal immigration? An objection is that it does nothing to reduce the total number of immigrants. That's why some people emphasize the need for improvement in U.S. / Mexico border security. Others say that a truly secure border with Mexico is impractical. The 1990s saw the U.S. initiate on the border with Mexico, Operation Hold the Line, Operation Blockade and Operation Gatekeeper. Those operations involved three-tier fences, remote control cameras, motion detectors and quick response patrols in key crossing areas. They didn't work. For all our trouble, illegal immigration still rose by 5.5 million between 1990 and 2000.

Attempting a more secure border with Mexico continues to carry with it high financial costs and unintended consequences. Border and interior enforcement costs have tripled in the past six years to \$13 billion. Today the United States employs 18,300 border patrol agents, 370 miles of fencing, 300 miles of vehicle barriers and 105 camera and radio towers. Yet we're still nowhere close to truly securing our 2 thousand mile border with Mexico. To the extent remote border crossings are now more dangerous, illegal immigrants are less likely to return to Mexico. On average, one man, woman or child dies every day crossing the border between the United States and Mexico. Understandably, unauthorized immigrants don't want to face the risk of more than one dangerous crossing.

Reasonable people agree that unauthorized immigration should be reduced. The question is how to do it. Historically the best results came from providing more legal ways for immigrants to enter the United States. Most immigrants are not predisposed to crime and they're not terrorists. They're attracted to jobs in America and the opportunity for a better life. If America provides a legal means for more immigrants, history suggests we'll have fewer unauthorized immigrants and total immigration will relate directly to the jobs available.

Microsoft founder Bill Gates suggests that the most important need is for more scientists and engineers. Today, American middle school and high school student learning outcomes in science and math are well below first world averages. A high proportion of students in science and engineering programs at American universities are foreign born and they often want to stay here and work after graduation. In

2003, Congress imposed an annual limit of 65,000 for H-1B visas plus 20,000 for foreign students with advanced degrees from American universities. These limits greatly restrict the number of foreign born scientists and engineers that can stay and work in the United States.

In his testimony before the U.S. Senate in 2005, Bill Gates suggested: “We need to reform our immigration policies for high skilled workers so we can be sure our workforce includes the world’s most talented people. Scientists like Albert Einstein were born abroad but did great work here because we welcomed him. The contributions of such powerful intellects have been vital to many of the great breakthroughs made here in America. Now we face a critical shortage of scientific talent. We must open our doors to highly talented scientists and engineers who want to live, work and pay taxes in America. We have to welcome the great minds in this world.”

Critics say H-1B workers take jobs away from Americans and that high tech companies would find Americans to take these jobs if the salaries were higher. But most economists agree that evidence is to the contrary.

Immigrant scientists and engineers expand the economic pie, create value and add jobs. They’re in demand throughout the world and if they can’t be in America, they expand the economic pie elsewhere. The average salary for an engineer, including benefits is worth more than \$100 thousand annually, regardless of whether the engineer works inside or outside the United States. Plus, four or five jobs are created around each of those engineers, wherever those engineers work.

Over 150 thousand H-1B visa applications were filed on the *first day* that they were accepted by the United States for the 2006-2007 fiscal year. Keep in mind only 85 thousand openings were available for the whole year. As recently as 2002 the cap was much higher at 195 thousand. It would benefit the country and otherwise expand the economic pie to allow *any number* of top scientists and engineers to work in America. It makes sense to eliminate the cap on H-1B visas or at least raise it significantly.

Here at home we need to improve education outcomes for our middle school and high school students, especially in math and science so they’re more competitive with the rest of the world in college and life. But that’s not a substitute for raising or preferably eliminating the cap on H-1B visas. We need the stimulus of the world’s best to help inspire technological and entrepreneurial leadership in America.

Beyond that, we need to keep trade with Mexico open and free and otherwise encourage progress so the economic attractions, property rights and rule of law in Mexico comes much closer to the United States. That will do more for border security than border policing can ever accomplish.

Interestingly immigration was not an important topic in the U.S. presidential election last year as it was predicted to be. Maybe that’s good. Perhaps it will free particularly cosmopolitans and free-marketers to work together to get something done that’s good for America and good for the world.

Congress can offer a pathway out of the underground economy. Newly legalized workers already here can pay taxes, learn English and take their place in line after those legal immigrants already waiting for citizenship. The flaw of the 1986 Immigration Reform and Control Act was not that it offered legal status to workers already here, but that it made no provision for future workers to enter legally.

To the extent we see favorable immigration reform in the new Congress it will be good for America and the world. It’s therefore worthy of hope. After all, we are a nation of immigrants, our assimilation capacities are vast and in spite of the current recession, economic opportunities in America still abound. As author Jason Riley puts it, “On the whole, immigrants are an asset to America, not a liability. We benefit from the labor, they benefit from the jobs. Our laws should reflect that reality, not deny it. Let them in.” Thanks very much!

Sources:

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Calculations:

1910: 1,041,570 legal immigrants, U.S. population 92,228,496, 11.29 legal immigrants per thousand Americans.
2006: 1,266,000 legal immigrants, U.S. population 300,000,000, 4.22 legal immigrants per thousand Americans.
2006: 700,000 illegal immigrants, U.S. population 300,000,000, 2.33 illegal immigrants per thousand Americans.