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Reining-in a Rogue Policy: The Imperative of Immigration Reform

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ARTICLE

REINING-IN A ROGUE POLICY: THE IMPERATIVE OF IMMIGRATION REFORM

VERNON M. BRIGGS, JR.*

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I. INTRODUCTION

It was Napoleon who said, "Policy is destiny." There are few better examples of the direct link between the change-creating influences of public policies on subsequent societal outcomes than immigration policy. As with the early history of all nations of the western hemisphere, mass immigration played a major role in the acquisition of the population and labor force of the United States. The era of significance ranged from the colonial period up to the early years of the twentieth century.

Beginning in 1914, and continuing for the ensuing fifty years, however, immigration steadily declined and immigration policy receded dramatically in terms of its importance. Without warning or anticipation, the process reversed itself again as the result of seemingly incidental policy changes initiated in 1965. The phenomenon of mass immigration was accidentally revived. Since then, immigration levels have soared and, once more, immigration policy has become a major factor in shaping the nation's labor force and population.

Unlike the earlier era of mass immigration, the U.S. economy in the mid-1960s was no longer in its adolescent stage of development. Instead, it was a mature economy that was itself in the throes of significant transformations of both its labor demand and supply. The introduction and spread of automatic control technologies, the intensity and scale of the military arms race of the Cold War era, and the opening of the economy to global competition collectively translated into a demand for a more highly skilled and better educated workforce. Likewise, on the supply side, the postwar baby boom generation was just beginning to enter the labor force in record numbers while changing social attitudes and political policies were seeking to broaden economic opportunities for minorities and women. The one thing the new economy did not need was an infusion of more workers per se—especially if they were disproportionately unskilled and poorly educated.

It was quickly apparent by the mid-1970s that the extant immigration policy of the nation was completely out of step with the nation's evolving economic and social trends. A drive to reform immigration policy commenced. Despite findings by impartial national commissions and by the academic research community over the ensuing decades, these reform proposals

have been regularly rebuffed. Immigration policy has been captured by a coalition of special interest groups and organizations who have their own selfish private agendas. They have little concern whether their goals are consistent with the national interest. As a result, immigration has become a rogue political policy that has been allowed the luxury of functioning without accountability for its economic and demographic consequences. Reining-in immigration policy remains a national imperative.

II. THE CONTEXT OF POLICY ASSESSMENT

Given the prominent role that immigration played in the early history of the nation, it may seem surprising that the subject is not mentioned anywhere in the U.S. Constitution. But as its significance to the national well being was gradually recognized, the federal government, in the late nineteenth century, moved in to claim its exclusive authority to regulate all aspects of immigration.¹ Thus, immigration policy must be viewed for what it has become: a purely discretionary action of the U.S. government. It has the sole duty to set annual admission levels, to establish admission categories, to specify entry requirements, to order entry priorities, and to enforce the restrictions it imposes. No citizen of a foreign country has a right to reside, visit, enter, work, or seek refuge in the United States simply because they desire to do so. They may only legally do so with the expressed permission of our national government. Accompanying such exclusive power to regulate is an implied duty to design an immigration policy that conforms to the best interests of the citizens of the United States.

It is true, of course, that a significant number of immigrants in the post-1965 era have simply ignored the policy restrictions altogether and have illegally entered or overstayed their visas. Thus, immigration reform also includes the necessary means to enforce the policies that are put in place. The same special interest groups that have opposed reforms of the legal immigration and refugee systems have usually opposed all efforts to strengthen enforcement measures.

1. See *Ekiu v. United States*, 142 U.S. 651 (1892); *Henderson v. Mayor of the City of N.Y.*, 92 U.S. 259 (1876); *Lung v. Freeman*, 92 U.S. 276 (1876).

Because immigration involves the movement of people rather than of products, it is labor market consequences that are ultimately at the heart of any effort to assess policy congruence with the national interest.² Although immigration is fundamentally an economic issue, post-1965 events testify that public policy has seldom been formed on this basis. Nonetheless, immigrants must work to support themselves or they must be supported by others who do. The key issues that emerge pertain to what impact immigrants have on the size, composition, and distribution of the nation's labor force, as well as the fiscal and social costs it imposes on society for their support.

III. THE ACCIDENTAL ISSUE: MASS IMMIGRATION

The contemporary era of mass immigration can be dated to the passage of the Immigration Act of 1965.³ That year, the foreign-born population totaled only 4.4% of the U.S. population.⁴ It was the lowest percentage since data was first collected in the pre-Civil War era. It is highly likely that it was the lowest percentage in the history of the nation.

In the mid-1960s, the nation was prospering. Unemployment was declining. There was no shortage of labor in 1965 that required an increase in immigration. Indeed, 1965 was exactly the year that the post-war "baby boom" hit the labor market. That year, one million more people turned eighteen years old (the primary age entering the labor force to seek full-time jobs). This high annual entry level of eighteen-year-olds persisted for the next sixteen years. It was also during that year that the equal employment opportunity provisions (Title VII) of the Civil Rights Act of 1964 went into effect. The civil rights legislation was primarily concerned with improving the economic status of black Americans. It is ironic, therefore, that no racial group has benefited less from or been more adversely affected by what mass immigration has produced.

2. See VERNON M. BRIGGS, JR., *MASS IMMIGRATION AND THE NATIONAL INTEREST* ch. 7 (2d ed. 1996).

3. Pub. L. No. 89-235, 79 Stat. 911 (codified as amended in scattered sections of 8 U.S.C.).

4. See Jeffrey S. Passel, 30 Years of Immigration and U.S. Population Growth, presented at the Association for Public Policy Analysis and Management Annual Research Conference (Nov. 3, 1995).

Indeed, a strong case can be made that the passage of the Immigration Act of 1965 was primarily a manifestation of the nation's civil rights agenda of that same era. This is because the primary motivation for passing the legislation was to end the overt discrimination embodied in the nation's immigration law, which had been in effect since 1924. The national origin admission created by the Immigration Act of 1924⁵ blatantly discriminated in favor of Western and Northern European countries and disfavored immigration from Eastern and Southern Europe. In conjunction with earlier legislation, it also virtually prohibited immigration from Asian countries. Western hemispheric immigration, however, was not numerically restricted, so there were obviously other issues than mere ethnocentrism involved in the passage of the restrictive legislation in 1924. These issues involved legitimate concerns over the adverse economic effects of the mass immigration of the preceding decades on wages, income, housing, education, and unemployment on the nation's labor force and population.

Thus, the paramount goal of the Immigration Act of 1965 was to achieve a non-discriminatory immigration policy. The reformers "were so incensed with the ethnocentrism of the laws of the past that they spent virtually all of their energies seeking to eliminate the country of origin provisions" and, as a consequence, they "gave very little attention to the substance or long-range implications of the policy that would replace them."⁶ In a nutshell, this is the story of what has subsequently transpired. The nation-changing ramifications of the Immigration Act of 1965 (with its extended family-based admission system and new refugee admission category) were not foreseen by any of its proponents. In testimony prior to its passage, Secretary of State Dean Rusk stated, "The significance of immigration for the United States now depends less on the number than on the quality of the immigrants."⁷ Senator Edward Kennedy (D-Mass), the floor manager of the bill in the Senate, stated, "This bill is not concerned with increasing immigration to this country, nor will it lower any of the high standards we apply

5. 43 Stat. 153 (repealed 1952).

6. DAVID S. NORTH & MARION F. HOUSTON, *THE CHARACTERISTICS AND ROLE OF ILLEGAL ALIENS IN THE U.S. LABOR MARKET: AN EXPLORATORY STUDY* 5 (1976).

7. *Hearings on S. 1932 Before the Subcomm. on Immigration and Naturalization of the Senate Comm. On the Judiciary*, 88th Cong. 2d Sess. (1964) (statement of Dean Rusk, Secretary of State).

in the selection of immigrants."⁸ Kennedy also said, "our cities will not be flooded with a million immigrants annually," that "the ethnic mix of this country will not be upset" and that the pending bill "would not cause American workers to lose their jobs."⁹ None of these assurances has proved to be valid. Supposedly, these assurances were made at that time because they would not be desirable policy outcomes.

IV. THE EFFECTS OF POST-1965 IMMIGRATION

A. *Population*

The most obvious effect of the changes in immigration policy that began in 1965 has been the significant increase in the size of the foreign-born population. Since 1965, the foreign-born population has risen from 4.4% to 9.7% of the population in 1997 (or about one of every ten people).¹⁰ In absolute terms, the foreign-born population has increased from 8.6 million people in 1965 to 25.8 million people in 1997.¹¹ If an allowance is made for the undercount of illegal immigrants in the official data, the actual inflow has certainly exceeded a million people a year throughout most of the 1980s and all of the 1990s to date.

Of even greater significance for the future than the proportional and absolute size of the foreign-born population is its influence on the growth rate of the nation's population. The 1990 Census revealed that the foreign-born accounted for thirty-seven percent of the population growth in the decade of the 1980s. Given what has already transpired and what can be anticipated for the few years remaining in the 1990s, the foreign-born will account for an even greater percentage in the present decade.

As for the future, studies of the projected influence of immigration on the size of the U.S. population for the next century are staggering. Two relevant demographic studies have

8. 89 CONG. REC. S24,225 (daily ed. Sept. 17, 1965) (statement of Sen. Kennedy).

9. *Hearings on S. 500 Before the Subcomm. on Immigration and Naturalization of the Comm. on the Judiciary*, 89th Cong. 1-2 (1965) (statement of Edward M. Kennedy, Senator).

10. See Dianne Schmidley & Herman A. Alvarado, *The Foreign-Born Population in the United States: March 1997 (Update)*, CURRENT POPULATION REP. P20 1998, at 507.

11. *See id.*

been made—one by the U.S. Bureau of the Census and the other by the National Research Council (NRC). Using both of their “intermediate projections” of the effects of immigration (i.e., an annual entry of 820,000 immigrants through to the year 2050, which is the closest of their estimates to the annual level that is actually occurring), they project that the 1995 population of 263 million persons will increase to 387 million persons (NRC)¹² or 394 million persons (Census Bureau) by 2050.¹³ Of this aggregate growth of from 124 to 131 million people (depending which projection is used), both organizations agree that two-thirds of the total growth, or approximately 80 million people, will be the consequence of the immigrants themselves and of their future children who will be born in this country.¹⁴ In the summary words of the NRC study, “Immigration, then, will obviously play the dominant role in our future population growth.”¹⁵

B. *Ethnic Composition*

As was true during the earlier years when the national origins system was in existence, the post-1965 contemporary mass immigration is also extremely unbalanced in terms of its ethnic composition. As of 1997, twenty-seven percent of the entire national foreign-born population are immigrants from only one country—Mexico.¹⁶ Over half of the entire foreign-born population of the United States in 1997 came from Latin America.¹⁷ Likewise, twenty-seven percent of the foreign-born population came from Asian countries.¹⁸ Indeed, ninety-two percent of the total Asian foreign-born population in 1997 entered the United States since 1970.¹⁹ Europe and Africa, the two continents that supplied virtually all of the immigrants of

12. See NATIONAL RESEARCH COUNCIL, *THE NEW AMERICANS: ECONOMIC, DEMOGRAPHIC, AND FISCAL EFFECTS OF IMMIGRATION* 95, tbl. 3.3 (James P. Smith & Barry Edmonston eds., 1997).

13. See Jennifer Cheeseman Day, *Population Projections of the United States by Age, Sex, Race, and Hispanic Origin: 1995 to 2050*, CURRENT POPULATION REP. P25-1130, 1996, at 5 tbl. C.

14. See National Research Council, *supra* note 12, at 95.

15. *Id.*

16. See Schmidley & Alvarado, *supra* note 10.

17. *See id.*

18. *See id.*

19. *See id.* at tbls.

the earlier era of mass immigration, account for only about twenty percent of the nation's foreign-born population in 1997.²⁰

C. Labor Force

As the immigrant population is younger than the native-born population and contains more men than women, the impact of immigration on the labor force is significantly greater than the population statistics reveal. In 1997, foreign-born workers accounted for 11.5% of the labor force, or almost one of every eight U.S. workers.²¹ Even this high percentage must be viewed as a minimal figure because of the undercount of illegal immigrant workers.

As in the past, a key feature of the post-1965 mass immigration has been its geographic concentration. In 1997, five states (California, New York, Florida, Texas, and Illinois) accounted for sixty-five percent of the entire foreign-born population and sixty-six percent of the entire foreign-born labor force.²² The foreign-born are also overwhelmingly concentrated in only a handful of urban areas—especially in their central cities. These particular labor markets, however, are among the nation's largest in size: Los Angeles, New York, San Francisco, Miami, and Chicago.²³ Collectively, these five cities accounted for fifty-percent of all foreign-born workers.²⁴

The most significant labor market characteristic of the current foreign-born labor work force is the fact that workers with little human capital disproportionately characterize the work force. The 1990 Census revealed that the twenty-five percent of foreign-born adults who were twenty-five years and older had less than a ninth-grade education compared with only ten percent of native-born adults. Moreover, forty-two percent of the foreign-born adult population did not have the equivalent of a high school diploma compared to twenty-three percent of the native-born adult population.²⁵ Thus, it is the low-skilled, low wage sectors of the nation's major urban labor markets that are

20. *See id.* at 507.

21. *See id.* at tbls.

22. *See id.*

23. *See id.*

24. *See id.*

25. *See id.*

the most impacted by immigrant job seekers.²⁶ Not only do low-skilled immigrants compete with each other for whatever opportunities exist at the bottom of the nation's job hierarchy, but they also compete with the low-skilled native-born workers who are disproportionately from minority groups in the nation's largest urban labor markets.

The effects of the inordinately low human capital attributes of many immigrants can be seen in their occupational patterns and unemployment experiences. In 1997, twenty-five percent of the foreign-born population were employed in the low-skilled occupations of laborers, farm workers, and operatives while an additional twenty percent were employed in low-skilled personal service occupations.²⁷ The unemployment rate of foreign-born workers in 1997 was 7.4%, whereas the national unemployment rate was 4.9%.²⁸ The unemployment rate for foreign-born workers with less than a high school education was 9.8%, and 14.5% for similarly situated native-born workers.²⁹ Consequently, the greatest impact of immigration on the labor market is in the least skilled segment of the labor force, which is already having the greatest difficulty finding employment. There is no shortage of unskilled native-born workers, as indicated by their inordinately high unemployment rates and by the high number of illiterate adults in the nation's population (estimated to exceed 30 million persons).³⁰

D. Poverty

As a consequence of the extensive differences in the human capital characteristics of the native-born and the foreign-born population, there is a significant variation in the incidence of poverty between the two groups. In 1997, 13.6% of the nation's total population was classified as living in poverty.³¹ For the foreign-born population, however, 20.9% were living under

26. See Vernon M. Briggs, Jr., *Income Disparity and Unionism: The Workplace Influences of Post-1965 Immigration Policy*, in *THE INEQUALITY PARADOX: GROWTH OF INCOME DISPARITY* 112-32 (James A. Auerbach & Richard S. Belous eds. 1998). See also NATIONAL RESEARCH COUNCIL, *supra* note 12, at 181-85.

27. See Schmidley & Alvarado, *supra* note 10, at tbls.

28. See *id.*

29. See *id.*

30. See, e.g., JONATHAN KOZOL, *ILLITERATE AMERICA* 4 (1985).

31. See Schmidley & Alvarado, *supra* note 10, at tbls.

poverty conditions compared to 12.9% of the native-born population.³² Thus, it is not surprising that immigrant families rely more heavily on the use of both cash and non-cash welfare programs than do native-born families.³³

The inordinately high incidence of poverty among immigrant families has dire intergenerational consequences on the preparation of their children to become future workers. It is estimated that two million immigrant youth enrolled in U.S. public schools in the decade of the 1980s³⁴ and even more will do so in the 1990s. Studies of these immigrant children indicate that they are "almost twice as likely to be poor as compared to all students, thereby straining local school resources."³⁵ Moreover, "many immigrants, including those of high school age, [] have had little or no schooling and are illiterate even in their native languages."³⁶ New demands for the creation of bilingual programs and special education classes have significantly added to the costs of urban education and have frequently led to the diversion of funds from important remedial programs for other needy children.³⁷ Overcrowding of urban school systems, already confronting enormous educational burdens, has frequently occurred with devastating impacts on the educational process.³⁸ Other educational costs to social policy are subtler but equally as significant as the financial concerns. Namely, the societal goal of desegregated urban schools has been greatly retarded by the arrival of immigrant children because it has increased the racial isolation of inner city black children.³⁹

32. *See id.*

33. *See* George J. Borjas & Lynette Hilton, *Immigration and the Welfare State: Immigration Participation in Means-Tested Entitlement Programs*, 111 Q. J. OF ECON. 575-76 (May 1996); NATIONAL RESEARCH COUNCIL, *supra* note 12, at ch. 6.

34. *See* U.S. GEN. ACCOUNTING OFFICE, GAO/T-HEHS-94-146, IMMIGRANT EDUCATION: FEDERAL FUNDING HAS NOT KEPT PACE WITH STUDENT INCREASES 2 (1994) (Statement of Linda Morra, Director of Education and Employment Issues, Health Education and Human Services Division before the U.S. Senate Committee on Labor and Human Resources).

35. *Id.*

36. *Id.*

37. *See* Francisco L. Rivera-Batiz, *Immigrants and Schools: The Case of the Big Apple*, 10 F. FOR APPLIED RES. & PUB. POLY 84-89 (1995).

38. *See, e.g.*, David Firestone, *Crowded Schools in Queens Find Class Space in Unusual Places*, N.Y. TIMES, June 8, 1994, at A1.

39. *See* Edward B. Fiske, *Racial Shifts Challenge U.S. Schools*, N.Y. TIMES, June 23, 1988, at A16. *See also* Jeffrey A. Raffel et al., *Policy Dilemmas in Urban Education: Addressing the Needs of Poor At-risk Children*, 14 J. OF URB. AFF. 263 (1992).

E. Income Inequality

The U.S. Census Bureau has studied the distribution of income since 1947. It has reported that from 1947 to 1968 there was a perceptible decline in family income inequality in the United States (a decline of 7.4%).⁴⁰ This was the era before the current era of mass immigration commenced. Since 1968, however, income inequality among families has increased. By 1982, income inequality was back to the same level as it was in 1947 and, by 1994, family income inequality in the nation had increased by 22.4% over the distribution that existed in 1968.⁴¹ It is worthy of note that 1968 was the first year that the policy changes contained in the Immigration Act of 1965 went into full effect.

In 1994, the President's Council of Economic Advisers formally acknowledged in its annual report that "[i]mmigration has increased the relative supply of less educated labor and appears to have contributed to the increasing inequality of income."⁴² Although their report claims that the aggregate effect "has been small" on the national distribution of income, immigration is a major factor in the deterioration of wages and incomes for low-wage and low-income families.⁴³ Such is especially the case in those urban centers where immigrants have congregated. Indeed, the Bureau of Labor Statistics, in a 1995 study, found that "immigration accounts for approximately 20 to 25 percent of the increase in the wage gap between low- and high-skill workers during the 1980s in the 50 largest metropolitan areas of the U.S."⁴⁴ Furthermore, the earlier-mentioned NRC study of the impact of immigration revealed that almost half of the decline in real wages for native-born high school dropouts from 1980-1994 could be attributed to the adverse competitive impact of unskilled foreign workers.⁴⁵ Hence, just because the effects of immigration are dissipated when the perspective is at the national level does not mean that

40. See Daniel H. Weinberg, *A Brief Look at Postwar U.S. Income Inequality*, CURRENT POPULATION REP P60-191, 1996, at 1.

41. See *id.*

42. Council of Econ. Advisers, Economic Report of the President 120 (1994).

43. *Id.*

44. DAVID A. JAEGER, SKILL DIFFERENCES AND THE EFFECT OF IMMIGRANTS ON THE WAGES OF NATIVES 21, (Bureau of Labor Statistics Working Paper No. 273, 1995).

45. See NATIONAL RESEARCH COUNCIL, *supra* note 12, at 227.

they are insignificant in those local labor markets where mass immigration is a reality.

F. *Labor Mobility*

Post-1965 mass immigration has disrupted the internal migration patterns of native-born workers. Research on labor mobility has disclosed that the higher the concentration of immigrants in a local labor market, the less attractive the locality is to native-born workers.⁴⁶ Research has also revealed that foreign-born workers are less likely to move out of states where they are concentrated than are native-born workers.⁴⁷ Furthermore, unskilled native-born workers, who are losing out in the competition for jobs with low-skilled immigrants, are more likely to leave their former communities to find jobs elsewhere.⁴⁸

V. THE SAGA OF REFORM

The re-emergence of mass immigration began as a gradual process in the late 1960s. But by the late 1970s, its unintended effects and mass abuse by illegal immigrants had become sufficiently worrisome for Congress to create a special commission to study what had unexpectedly happened and to recommend policy changes. Known as the Select Commission on Immigration and Refugee Policy (SCIRP), it was composed of sixteen members and chaired by a non-politician, the Reverend Theodore Hesburgh. When SCIRP tendered its final report in March 1981, it concluded that immigration was "out of control" and comprehensive reforms were essential.⁴⁹ Noting that special interest groups had captured immigration policy, the SCIRP rejected their myopic appeals to satisfy their private agendas at the cost of the national interest. Specifically, it stated, "The Commission has rejected the arguments of many economists, ethnic groups, and religious leaders for a great expansion in the

46. See Robert Walker et al., *Linked Migration Systems: Immigration and Internal Labor Flows in the United States*, 68 *ECON. GEOGRAPHY* 234-248 (1992).

47. See Mary M. Kritz & June Marie Nogel, *Nativity Concentration and Internal Migration Among the Foreign Born*, *DEMOGRAPHY*, Aug. 1994, at 1-6.

48. See William H. Frey, *Immigration and Internal Migration "Flight": A California Case Study*, 16 *POPULATION & ENV'T* 353-375 (1995).

49. SELECT COMMISSION ON IMMIGRATION AND REFUGEE POLICY, U.S. IMMIGRATION POLICY AND THE NATIONAL INTEREST: THE FINAL REPORT AND RECOMMENDATIONS WITH SUPPLEMENTAL VIEWS BY COMMISSIONERS 5 (Comm. Print 1981).

number of immigrants and refugees."⁵⁰ Instead it called for a "cautious approach" in reforming the immigration system and concluded "this is not the time for a large-scale expansion in legal immigration."⁵¹

Congress did not respond to SCIRP's recommendations for changes in the legal immigration system, but ultimately passed the Immigration Reform and Control Act of 1986 (IRCA)⁵² to address the issue of illegal immigration. IRCA included a generous amnesty program that permitted 2.7 million illegal immigrants to adjust their status to become permanent resident aliens and established a system of workplace sanctions to prevent employers from hiring illegal immigrants. The hope was to deter new illegal entries in the future. Unfortunately, the sanctions system was full of loopholes and all of IRCA's deterrence measures were poorly funded. Hence, illegal immigration continues to flourish, despite IRCA's worthwhile legislative intentions.

In 1990, Congress, in direct contradiction of SCIRP's earlier recommendation, dramatically increased the scale of legal immigration. The Immigration Act of 1990⁵³ raised annual admissions by thirty-five percent over the level in place since 1965. It also significantly eased the access of U.S. employers to foreign workers who can be hired to work in the country "temporarily" as non-immigrant workers.⁵⁴

To monitor the impact of the 1990 legislation, Congress created the U.S. Commission on Immigration Reform (CIR). It was a nine-member commission, chaired, from 1993 until her death in January 1996, by Barbara Jordan, a former member of Congress who became a professor of public policy. CIR's final report was released on September 30, 1997, but it was preceded by the release of a series of interim reports.⁵⁵ CIR identified

50. *Id.* at 7.

51. *Id.* at 8.

52. Pub. L. No. 99-603, 100 Stat. 3359 (codified as amended in scattered sections of 8 U.S.C.).

53. Pub. L. No. 101-649, 104 Stat. 4978 (1990) (codified as amended in scattered sections of 8 U.S.C.).

54. 8 U.S.C. §§ 204-09, 221.

55. See U.S. COMM'N ON IMMIGRATION REFORM, BECOMING AN AMERICAN: IMMIGRATION AND IMMIGRANT POLICY, (1997). See also the interim reports: U.S. COMM'N ON IMMIGRATION REFORM, LEGAL IMMIGRATION: SETTING PRIORITIES (1996); U.S. COMM'N ON IMMIGRATION REFORM, U.S. IMMIGRATION POLICY: RESTORING CREDIBILITY (1994).

illegal immigration as the "most immediate need" for policy attention.⁵⁶ Among its recommendations was a call for a significant expansion in the size of the U.S. Border Patrol, the construction of new physical barriers, a system to validate the authenticity of social security cards (which are used to establish eligibility for employment), and steps to reduce access to "breeder documents" (e.g., birth certificates) used to obtain other documents (e.g., social security cards and driver's licenses).

With regard to *legal* immigration, CIR recommended: (i) reverting to the pre-1990 admission levels, (ii) eliminating extended family preferences, (iii) eliminating the category that permits unskilled workers to be admitted, (iv) eliminating the "diversity immigrant" admission category, and (v) including refugees within the total number of immigrants that are to be admitted each year.⁵⁷

During the course of its deliberations, CIR requested, in 1995, that the National Research Council (NRC) of the National Academy of Sciences convene a panel of experts to independently assess the economic and demographic consequences of immigration. Agreeing to do so, the NRC released its report in 1997. With regard to its demographic findings, as noted earlier, its "intermediate projection" indicated that immigration would account for two-thirds of the population growth that will occur in the United States by the year 2050.⁵⁸ As for their economic findings, the NRC report catalogued the fact that the educational attainment levels of post-1965 immigrants have steadily declined.⁵⁹ Consequently, foreign-born workers, on average, earn less than native-born workers and the earnings gap between them has widened over the years.⁶⁰ Those from Latin America, which presently accounts for over half of the entire foreign-born population of the nation, earn the lowest wages.⁶¹ The NRC, however, found no evidence of discriminatory wages being paid to immigrants.⁶² Rather, it found that immigrant workers are paid

56. U.S. COMM'N ON IMMIGRATION REFORM, U.S. IMMIGRATION POLICY: RESTORING CREDIBILITY 3 (1994).

57. Since 1980, refugees and asylum applicants have been admitted outside of the ceilings imposed by the nation's immigration law.

58. NATIONAL RESEARCH COUNCIL, *supra* note 12, at 95.

59. *See id.* at 185-90.

60. *See id.* at 181-85.

61. *See id.* at 181, 235.

62. *See id.* at 181.

less than native-born workers because, in fact, they are less skilled and less educated.⁶³ The relative declines in both skills and wages of the foreign-born population were attributed to the fact that most immigrants are coming from the poorer nations of the world, where the average education, wages, and skill levels are far below those in the United States.⁶⁴ As a direct consequence, post-1965 immigrants are disproportionately increasing the segment of the nation's labor supply that has the lowest human capital endowments.⁶⁵ In the process, they are lowering the wages of all workers in the lowest skill sector of the labor market.⁶⁶ The chief beneficiaries of immigration are the immigrant workers themselves whose wages are usually considerably higher than if they had stayed in their homelands.⁶⁷

The NRC did find that there was a net "benefit" of immigration to the nation's labor market each year of \$1 to \$10 billion.⁶⁸ This measure, however, is a benefit that only an economist could appreciate. Namely, the benefits to the economy are largely the result of the suppression of the wages of workers who compete with the immigrant inflow that causes lower prices of goods and services for the economy. These suppressed wages are mostly those of low-skilled workers with low incomes, but they are also the wages of workers at the other end of the skills spectrum—those in some professional and technical occupations that have also had a disproportionate increase in immigrant and non-immigrant "temporary" workers. It is unlikely that any of these workers consider this artificial manipulation by the government of the size of their labor supply to be a "benefit."

Likewise, where there are economic benefits, there are always economic costs. In this case, the NRC calculated the net fiscal costs of public services to immigrants (e.g., those associated with increased education, medical, welfare, incarceration, and public housing) to range from \$14.8 to \$20.2 billion a year.⁶⁹ Obviously, these fiscal costs are disproportionately distributed among the communities and states depending on the size of the foreign-born population in their respective jurisdictions. In

63. *See id.*

64. *See id.* at 235-36.

65. *See id.* at 236.

66. *See id.* at 236.

67. *See id.* at 181.

68. *See id.* at 153.

69. *See id.* at 293.

California, for example, in excess of the taxes paid by immigrants, it costs every native-born household \$1,178 a year in added taxes to cover the costs of government services provided to immigrants.⁷⁰

Meanwhile, in response to CIR's interim reports and in anticipation of what its final report would say in 1997, Congress made a preemptive move in 1996, and once more took up immigration reform. But with a host of special interest groups fighting every proposed change, opponents of reform were able to kill all proposals pertaining to legal immigration and refugee limitations. The watered-down legislation that passed in 1996 did increase funding for deterrence measures against illegal immigration, but it failed to include the most important means needed to curb the abuse—the creation of a viable verification system for work eligibility in the United States.

Subsequently, when the NRC published its thorough research findings in May 1997, and when the CIR, after six years of intense work, issued its comprehensive final report in September 1997, they were both met by non-interest by the media and policy makers. By this time, the pro-immigration lobby had won the day and the pursuit of the national interest had once again been thwarted.

VI. CONCLUDING COMMENTS

In assessing the latest political debacle of the immigration reform movement in the mid-1990s, political scientists James Gimpel and James Edwards wrote, "The voice of the people has had little impact on the tone or direction of the immigration debate in Washington."⁷¹ They point out that despite the extensive research findings that show the need for significant legislative changes and the public opinion polls that consistently show that the citizenry wants these changes to take place, it makes no difference to the professional politicians.⁷² Immigration policy has been captured by an unholy alliance that links religious organizations, ethnic groups, libertarian economists,

70. *See id.* at 287.

71. James G. Gimpel & James R. Edwards, Jr., *The Silent Majority*, J. OF COM., June 23, 1998, at 8A.

72. *See id.*

and the powerful American Immigration Lawyers Association, who all have self interests and financial interests in maintaining the status quo, with corporate America which has a vested interests in cheap labor policies.

Immigration reform is not going to go away. The issue continues to fester. For as George Borjas and Richard Freeman, the key authors of the labor market portion of the NRC report, have subsequently written in response to the gross distortions of their work by the pro-immigration lobby and the media:

Immigration creates winners and losers. Low-income workers and taxpayers in immigrant states lose; those who employ immigrants or use immigrant services win, as do the immigrants themselves. The critical issue is how much do we care about the well being of immigrants compared with that of the Americans who win and the Americans who lose.⁷³

For the time being, it would seem that policymakers are not concerned with the wage and income inequities or the labor market distortions that are the product of the nation's extant immigration policies. They are totally oblivious to its long-term demographic implications. But, as the NRC report made abundantly clear, immigration is not a free lunch. Eventually as the costs of immigration continue to mount and as the change-creating power of immigration policy continues to reshape the nation's destiny, this rogue element of public policy will be reined-in. The sooner that day comes, the better off the nation will be.

73. George J. Borjas & Richard B. Freeman, *Findings We Never Found*, N.Y. TIMES, Dec. 10, 1997, at A29.