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Ignorant Immigration Reform

David J. Bier

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This week the Republican senators Tom Cotton of Arkansas and David Perdue of Georgia introduced a bill that they said would cut legal immigration to the United States by 50 percent. They are right about that, but nearly everything else that they have said about their bill is false or misleading.

The senators, whose bill is endorsed by President Trump, argue that America is experiencing abnormally high immigration; that these immigrants are hurting American wages; and that their bill would prioritize skilled immigrants, the way Canada does, thus making the United States more competitive internationally. These talking points are pure fiction.

They have justified this drastic cut in immigration by stating that the bill will, as they put it in February when announcing an earlier version, bring “legal immigration levels” back down to “their historical norms.” But the senators fail to consider the impact of population growth. A million immigrants to the United States in 2017 isn’t equivalent to the same number in 1900, when there were a quarter as many Americans.

Controlling for population, today’s immigration rate is nearly 30 percent *below* its historical average. If their bill becomes law, the rate would fall to about 60 percent below average. With few exceptions, the only years with such a low immigration rate were during the world wars and the Great Depression. Surely, these are not the “norms” to which the senators seek to return.

Senator Cotton is trying to connect a slow increase in the immigration rate in recent decades to declining wages for Americans without a college degree, implying that low-skilled workers are facing more competition for jobs than in earlier years. But this correlation is spurious, because it ignores the size of the overall labor pool.

Looking at all new job seekers — born here and abroad — actually reveals a significant decline in new workers competing for American jobs. During the postwar period from 1948 to 1980, as incomes rose for all workers, the labor force grew by 76 percent, driven largely by baby boomers and women entering the labor force for the first time. Since then, declining birthrates have led to about half as many new competitors entering the labor force each year, despite many more immigrants.

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Less-educated Americans also faced less competition. The ranks of non-college educated workers swelled 50 percent in the postwar period, compared with just 16 percent in recent decades. During both periods, high school dropouts saw a near continuous decline in labor market competition — from workers born here or elsewhere. In contrast, college graduates actually dealt with more competition than they had before.

All this suggests that the stagnation of wages has other origins, such as new technology and the increasing burden of regulations, not more job seekers — immigrant or otherwise.

The senators' analysis suffers from similar confusion when they say that their bill would create a system modeled after Canada and Australia. Controlling for population, these countries accept two to three times as many legal immigrants as America.

A related fiction is that the bill would “prioritize” skilled immigrants. In fact, it contains no more visas for skilled workers than our current law does. All the bill would do is cut the number of visas for the family members of United States citizens. Canada and Australia prioritize skilled workers by allowing far more of them to come — while also accepting more family members than we do.

Canada and Australia aren't the only ones surpassing us in terms of welcoming immigrants; 17 developed countries accept more legal immigrants as a share of their population than does the United States. This places the United States at an economic disadvantage in the global race for talent. For years, Canada has attracted skilled immigrants from America, and Microsoft even opened an office there specifically to take advantage of its system.

In other contexts, Senators Perdue and Cotton have often discussed how America's tax and regulatory policies send jobs overseas. But micromanaging labor markets from Washington has the same damaging effect, pushing businesses away from the United States and hurting those that remain.

Rather than cutting immigration, Congress should raise the employment-based quotas, which it has not adjusted since 1990 — when the United States had some 77 million fewer people and the economy was half the size it is now. A smart reform would double green cards and peg future work visas to economic growth, responding to market forces rather than political whims.

Smart reforms, however, require that Congress first understand the basic facts: America has not seen a deluge of immigration. Low-skilled American-born workers have not faced more competition for jobs. Other countries accept more immigrants per capita. Until these facts penetrate the halls of the Capitol, the immigration debate will continue to be mired in ignorant proposals like this.

David J. Bier is a policy analyst at the Cato Institute.