THE WALL STREET JOURNAL.

An Immigration Debate Distinct From Economic Realities

Gerald F. Seib

May 21, 2018

Here is a summary of some recent news items:

The American birthrate <u>has slowed dramatically</u>, with the number of babies born in the U.S. last year hitting a 30-year low. At the same time, Alaska fisheries, New Hampshire restaurants and <u>Maryland crab processors</u> all say they are critically short of workers. Farmers say they need thousands more workers, and some production is moving overseas for lack of labor. There are 6.6 million job openings in the U.S., which means that, for the first time in history, there are enough openings to provide a job for every unemployed person in the country.

Meantime, the House of Representatives virtually ground to a halt last Friday because some Republican lawmakers are demanding a vote on a bill that would lower legal—not illegal, but legal—immigration.

If you sense a disconnect here, it is because the immigration debate of 2018 seems disconnected from economic realities.

There is a good case that America's economy—growing and thriving—has never needed immigrant labor more than it does now. Unemployment <u>has fallen to 3.9%</u>, its lowest point in more than 17 years. More than a third of small businesses have job openings they can't fill, the National Federation of Independent Business says.

When the federal government made this year's allotment of <u>H-2B visas</u> for low-skilled foreign workers available in January, it instantly received thousands more applications than the 66,000 legally available. Demand was so high the visas were awarded by lottery. Now, the government will likely make an additional 15,000 H-2B visas available for the year, though businesses would like thousands more.

The search for more highly skilled workers is even more urgent. The NFIB says that 22% of small-business owners say finding qualified workers is their single most important business problem, more than those who cite taxes or regulations.

So that is the short-term picture. The long-term demographic trends also suggest immigration can be more helpful than harmful.

The National Center for Health Statistics last week reported that American women are having children at the lowest rate on record. The fertility rate for women aged 15 to 44 was 60.2 births

per 1,000 women, the lowest since the government began tracking that rate more than a century ago.

That declining birthrate means that, absent immigration, the country's population is in a long-term aging process. That is what happens when Americans live longer, and there are fewer new ones born to fill in at the workplace behind them.

Newsletter Sign-up

Indeed, demographers think that in the next three decades, the share of Americans aged 65 and older <u>will surpass</u> the share of Americans aged 18 and younger—a historic crossing of demographic lines.

Put it all together and you have a picture of a country that not only can handle immigrants, but one that should want them and actually may need them. Yet the climate is more hostile toward immigrants and immigration than at any time in recent memory.

Ground zero for this anomaly is the U.S. House of Representatives, locked in a bitter struggle over <u>immigration legislation</u>. This struggle is above all being waged within the Republican party. For a long time, for both philosophical as well as economic reasons, the GOP took a generally favorable view of immigration as a way that new lifeblood has always been injected into the American bloodstream. Now, with President Donald Trump and his 2016 campaign having led the way, it is increasingly dominated by those with a distinctly darker view of immigration.

In the House, a group of moderate Republicans stand on one side; they want a vote on legislation providing permanent legal status to <u>Dreamers</u>, young immigrants brought here illegally as children who have moved into the mainstream. On the other side stand conservatives who instead back a tougher immigration measure. It would grant Dreamers not permanent legal status, but three-year, temporary status that could be renewed.

More important, it goes much further. It contains an array of measures to crack down on illegal immigration, but proposes a series of steps that would reduce legal immigration. The bill's sponsors say the reduction would be 260,000 slots a year, or 25%. The libertarian Cato Institute, which is generally pro-immigration, says the reduction actually would be closer to 40%, adding: "This would be the largest policy-driven reduction in legal immigration since the awful, racially motivated acts of the 1920s."

Immigration foes say clamping down on immigration will compel employers to raise wages for native Americans. Yet it also appears that the anti-immigration mood is rooted as much in cultural sentiment—an understandable feeling among many Americans that they are losing control of their country and its traditions—as in economic dislocation. The quest to control America's borders has morphed into much broader sentiments.