



## Demint blasts CBO over immigration reform bill costs

By: Jon Perr – May 5, 2013

---

During his tenure as a South Carolina Senator, Republican Jim Demint was a big supporter of the nonpartisan Congressional Budget Office (CBO). In the fall of 2009, he cosponsored a bill requiring the budgetary impact of all legislation to be "scored" by the CBO at least 72 hours before its consideration on the Senate floor or any committee. In April 2012, Senator Demint warned that "based on CBO data, Obamacare will impose \$4 trillion in new taxes by 2035."

Alas, that was then and this is now. And now, Jim Demint is president of the Heritage Foundation and committed to snuffing out immigration reform by any means necessary. Those means, it turns out, include attacking the CBO for its forecast that immigration reform will ultimately save the U.S. government money.

Appearing on ABC's This Week (around the 2:30 mark), Demint warned that immigration reform "will cost Americans trillions of dollars." Unsurprisingly, he declared he had proof from the book-cookers at his organization. "The study you'll see from Heritage this week presents a staggering cost of another amnesty in our country." And why would the Heritage Foundation see the need for its own forecast?

"Well, CBO said Obamacare wouldn't cost us anything. They're basically puppets of the Congress and the assumptions they put in the bill. Heritage is only organization that has done an analysis on the cost."

Of course, as you'll see below, there are only a few problems with Demint's demagoguery.

For starters, the CBO never said the Affordable Care Act "wouldn't cost us anything." Instead, the nonpartisan scorekeeper merely found that the ACA's new tax revenue and savings from elsewhere in the budget would result in a reduction in the U.S. national debt. Needless to say, that's not what Republicans wanted to hear, which is why House Majority Leader Eric Cantor (R-VA) accused the CBO of "budget gimmickry" and Newt Gingrich called for abolishing the agency altogether.

Making Demint's case even worse is that other conservative groups have echoed the CBO assessment that an immigration reform package like the one now under consideration in the Senate would prove a boon to American taxpayers. The extra costs of benefits including Social Security, Medicare and Medicaid, the CBO explained, would be more than offset by the increasing size of both the U.S. labor force and its economy:

Cost estimates produced by CBO and JCT typically reflect the assumption that macroeconomic variables such as gross domestic product (GDP) and employment

remain fixed. However, because S. 2611 would have had the direct effect of significantly increasing the size of the U.S. labor force (resulting in an estimated 3.4 million additional workers in the United States by 2016), CBO and JCT relaxed that assumption and incorporated in the cost estimate the direct effect of the bill on the U.S. population, employment, and taxable wages.

As Politico reported, former CBO chief and McCain economic adviser Douglas Holtz-Eakin made a similar case:

His group put out a paper that concluded immigration reform would speed the pace of economic growth and could reduce the deficit by \$2.5 trillion. The growth will come because immigrants will participate in the labor force at higher rates, according to the analysis, but also because they're more likely to own small businesses.

It's no wonder Gang of Eight front man Marco Rubio (R-FL) is ecstatic. On Friday, Rubio announced, "The CBO confirmed today what we've known all along -- that dealing with our immigration challenges of course has costs associated with it, but that it also holds enormous potential for economic growth and job creation that benefits all Americans." (That's also why Alex Nowrasteh of the Cato Institute slammed Heritage's last study on the subject in 2007, concluding Demint's new group reached its \$2.5 trillion price tag by relying on "flawed methodology produced a grossly exaggerated cost to federal taxpayers of legalizing unauthorized immigrants while undercounting or discounting their positive tax and economic contributions.")

All of which makes new Heritage Foundation President Jim Demint very unhappy with the Congressional Budget Office he once made a centerpiece of his strategy to blunt federal spending. After all, when President Obama announced he would address Congress in September 2011 to unveil his \$447 billion American Jobs Act, Senator Demint said he wouldn't even attend:

"I'm, frankly, very tired of speeches. I don't want to be disrespectful to the president, but what I want to see is something in writing and what the Congressional Budget Office tells us it's going to cost so that we can not only read it ourselves, but the American people can read it. Speeches, we've found, are not very similar to the actual legislation."

Now, the immigration reform foe insists, neither are assessments by the CBO.