

The Anti-Immigration Reform Study That Didn't Bark

By: Grover Norquist- June 6, 2013

It was supposed to be the iceberg that would sink immigration reform.

It wasn't even a speed bump.

Immigration reform was defeated in 2007—with the coup de grace delivered by Senator Barack Obama as a favor to the labor union bosses. Six years later, in 2013 immigration reform was back stronger than before and apparently unstoppable.

Joining the present fight for comprehensive immigration reform is the Southern Baptist Convention, the National Association of Evangelicals, the Catholic Church, the Mormon Church, every business association from the Chamber of Commerce to the National Association of Manufacturers, the high-tech community, the farmers, dairymen, construction industry, universities, restaurants, and over 110 free-market economists like Art Laffer.

This year, immigration reform is led, not by a lame-duck, Iraq-distracted, president George W. Bush but tea party favorites Marco Rubio and Jeff Flake and with Senator Rand Paul, Governor Scott Walker, Paul Ryan, and GOP heavyweight Haley Barbour urging comprehensive reform.

The new legislation tightens the border, makes those who came without papers pay fines, undergo a security check, and wait ten years before they could apply for a green card during which period they would be ineligible for any federal welfare benefits. Every concern brought up in 2007 was addressed. The Religious Right, Christian radio, the business community, and every free market economist — the heart and soul of the modern Reagan Republican movement is on board.

This time around there is one—and only one—traditionally conservative think tank in opposition: The Heritage Foundation. And they promised to put out a “study” that would argue that immigration leads to higher government spending. This was a shift from 30 years of Heritage's traditional support for the Ronald Reagan, Jack Kemp, Milton Friedman understanding that people are an asset, not a liability... that more workers and consumers makes America stronger, not weaker as the labor unions, the zero population growthers and the long dead and discredited economist Malthus argued. In 1984 Heritage Senior Scholar Julian Simon debunked the “Nine Myths about Immigration” pre-butting all the recycled complaints that resurfaced in 2007. Simon's debate with an anti-immigrant activist in 1985 was a crushing victory for Heritage's pro-immigration principles. As recently as 2006 Heritage published a paper by Tim Kane, now the chief economist at the Hudson institute arguing that immigration reform

would strengthen the country and that “the argument that immigrants harm the American economy should be dismissed out of hand.”

The new Heritage study was promised, delayed, and finally released 19 days after the “Gang of Eight” legislation for immigration reform was put online for all Americans to read.

It landed with a thud, a dead cat bounce and within days what was dead was not the immigration bill, but the credibility of the study itself.

An autopsy finds at least seven self-inflicted wounds. Any one of which would have been fatal. Together they left an unrecognizable corpse.

First, the study was not a study of the costs of the Rubio immigration legislation. It was an estimate of the cost of a straw-man piece of legislation. Not the one before America. Why analyze a pretend initiative, when the real initiative was before you? There was in small print, like the warning on a pack of cigarettes, the admission that this was not really a study of the Rubio legislation, but of an imaginary bill imagined by the authors. But the staff did not share that disqualifying fact with the new President of Heritage. Heritage Action posted a statement claiming that the Gang of Eight legislation would cost taxpayers \$6.3 trillion. An unsuspecting Senator Sessions put out a similar statement claiming that the Heritage study proved that the Rubio bill could cost American taxpayers \$6.3 trillion. But the authors admit that it is only an examination of their idea of “amnesty,” not any specific bill. Some radio talk show hosts and columnists were tricked into embarrassing themselves by assuming and publically saying that the study was a study of an actual piece of legislation.

Second, while Heritage Foundation’s greatest accomplishment over the years was to argue for dynamic scoring to recognize that tax cuts spur growth—often reducing the deficit—this study did not look at dynamic pro-growth effects of immigration reform.

This contrasted with a study by former CBO chief economist Douglas Holtz-Eakin who put out a study arguing that immigration reform giving legal status to those here without papers and focusing on adding high tech immigrants would actually reduce the deficit by \$2.7 trillion over the next decade. Adding one percent to growth for one decade adds \$2.5 trillion in higher revenue from more employment and higher wages. The CBO has now agreed to use dynamic scoring in looking at immigration reform. A wonderful victory for free-market thinkers.

Third, the study contrasts their imagined bill not with today’s status quo but with a fantasy world where all those immigrants who were here without papers and their 4.5 million American children die or otherwise disappear tomorrow morning. There are no costs assumed in going house to house to arrest and deport millions—nor an explanation of why one thinks the Americans in the group would choose to leave.

Fourth, the study takes fixed costs—like educating the 4.5 million Americans who are children of those who came without permission—and pretends those costs flow from immigration reform. Those are fixed

costs whether Rubio or any immigration plan passes or not. That sleight of hand allows the authors to overstate the cost of the bill by 40 percent and to overstate the fiscal deficit by two-thirds.

Fifth, one of the ways the Heritage bill makes immigrants look bad it is that it assumes they will not increase their productivity or wages from today. And it assumes that their children will not do better than their parents—unlike every immigrant group in America through the last 300 years. Such assumptions ignore all American history.

Worse, the only way one assumes that this group of immigrants will not progress is to assume they are uniquely flawed. When the targets of anti-immigrant voices were the Irish in the 1840s, the Jews in the 1890s, Catholics in general for decades it was claimed that science showed they had low IQs on tests. But IQs change over time for individuals and groups. Thomas Sowell has ripped apart those who claim there are permanent IQ differences between races as not being “political incorrect” but rather being wrong on the facts. It was then exposed that one of the two authors of the Heritage study had done just what Thomas Sowell warned against in his previous writings and this turned the study into a stink bomb. Not because it offended liberals, but because the Thomas Sowell’s and Ron Unz’s of the conservative movement shot down such assertions as bad science. That co-author of the Heritage study had to resign from Heritage.

Sixth, much of the “cost” of immigrants is the fact that the Medicare system as presently constructed—until it falls apart in 2026 or thereabouts—is scheduled to pay out hundreds of thousands more in benefits than it takes in taxes for every American. This is not a problem with immigration. It is the failure of our present entitlement system. It goes bankrupt whether there are any immigrants or not. This indictment of our failed entitlement government programs is not the fault of immigration. The system collapses unless reformed for everyone. This reasoning would prove that having children was bad for the federal budget. And that fatal car accidents are good for the budget.

Seventh, the dramatic \$6.3 trillion deficit number seems impressive because everyone in Washington scores tax and spending legislation over a decade. But this \$6.3 is over 50 years — in order to blame immigrants for Medicare’s failures...a fact little mentioned in the press releases and talks...once again, in the small type this is admitted in the Heritage study. And since the federal government plans to spend hundreds of trillions of dollars over the next 50 years, even the inaccurate and exaggerated number is less than one percent of total spending.

These seven failures—and others can be found in studies and critiques that came out from the Cato Institute, the American Enterprise Institute, the Hudson Institute, the Manhattan Institute, former Director of the National Economic Council Keith Hennessy, former CBO Director Douglas Holtz-Eakin with the American Action Forum, and the Wall Street Journal.

We can and will reform entitlement spending and welfare spending. The legislation, the Ryan plan, is written down and has passed the Republican House three times. We need to pass school choice in all 50 states. Conservatives should focus on winning the Senate and White House to pass Ryan. Getting

distracted by hundred year old and discredited arguments against immigration misdirects and weakens our drive to reduce the cost of government.

Let's focus on the big picture.

The Ryan budget plan, endorsed by almost every single Republican in the House and Senate would reduce Obama's spending by \$4.6 trillion over the next ten years. In 2050, the Paul Ryan budget plan brings spending to 16 percent of GDP. But if nothing is done, and present trends continue, instead federal spending would rise to 39 percent of GDP in 2050. For conservatives who care about limiting government spending, that is the big picture.

In the past, Heritage scholars like the great late Julian Simon and Tim Kane predicted that more immigrants would add to American economic strength. Polling suggests Americans know that and that is why the Rubio plan will be improved in the Senate and House and be enacted this year. The "best" shot taken at this reform was a blank.

Grover Norquist is president of Americans for Tax Reform.