# Trump is doing all the wrong things on immigration

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Since his presidential campaign began, President Trump promised to decrease illegal immigration. In recent months, his administration has pushed for additional border wall funding, expanded our military presence at the border, and threatened to increase deportations unless congressional Democrats agree to strengthen federal asylum laws.

Despite these efforts, illegal immigration has recently increased. One reason is that Trump's measures do not reduce the incentives for people to migrate illegally. To shrink illegal immigration, the US needs policies that lower these incentives, especially if these make sense independently of immigration.

**Expand free trade**

Trump recently suspended plans to impose increasing tariffs after Mexico agreed to "take strong measures" to reduce cross-border migration, but threatened to reinstate them if Mexico fails to cooperate in the future. This would harm the US and Mexican economies and increase illegal immigration.

Immigration and trade are alternative mechanisms for narrowing differences in production costs across countries. Liberalizing US trade policy would increase demand for foreign labor, shrink wage differences between the US and its trade partners, and reduce the incentive for migration. After the North American Free Trade Agreement (NAFTA), Mexico gained hundreds of thousands of manufacturing jobs.

Freer trade with Mexico, China, Cuba or South America would improve living standards in those regions and decrease incentives for illegal immigration in the long run, while improving US economic growth. For example, the United States could end its trade war with China, restart negotiations for a free-trade agreement with South America, and normalize trade relations with Cuba.

Free trade also lowers prices for consumers and export costs for businesses. The US Chamber of Commerce estimates that trade with Canada and Mexico supports 14 million jobs.

**End the war on drugs**

Prohibition causes violence by driving drug markets underground, where disputes cannot be resolved through courts. Captures of kingpins increase violence by motivating rival gangs to

exploit the weakened organizations. The US enforces prohibition in Latin America and the Caribbean by seizing drugs and financing the Mexican drug war.

Many immigrants risk their lives to escape drug-related violence in their native countries. El Salvador has the highest murder rate in the world, due in part to gangsthat fled the US-backed drug war in Mexico. And El Salvador is the second-largest source of illegal immigration to the United States.

Ending drug prohibition would save the United States around $50 billion in enforcement costs and raise $50 billion in tax revenue annually, while reducing the risks of drug use. In underground markets, quality control is poor because consumers face difficulty assessing drug potency; suppliers transport illicit drugs in highly concentrated forms to avoid detection, increasing the risk of overdose.

**Expand legal immigration**

Expanding legal immigration decreases illegal immigration.

And economic research consistently shows that immigration increases economic output. The Penn Wharton Budget Model, for example, calculates that even modest increases in legal immigration would substantially increase GDP growth and employment. Immigrants produce more patentable innovations than native-born Americans and start new businesses at twice the rate of native-born Americans.

Congress should therefore increase the caps on H-2B visas for temporary nonagricultural workers, further increase the number of returning H-2B workers exempt from the annual cap of 66,000 and create an extended-stay guest worker program for low-skilled immigrants similar to the H1-B visa program for high-skilled immigrants.

Opponents often object that immigrants drain the federal budget. In reality, immigrants have been less likely to use welfare than native-born Americans, and on average have consumed a lower dollar value of benefits.

Moreover, this objection justifies cutting entitlement spending, not immigration. The current welfare state is unaffordable; according to CBO projections, federal debt held by the public, currently at 78% of America's gross domestic product (GDP), will reach 144% by 2049. So Congress should cut entitlement spending to maintain federal solvency, such as by raising the age of eligibility for Social Security and Medicare, reforming the indexation of Social Security benefits, increasing Medicare deductibles or tightening eligibility for disability insurance.

These changes would improve the US fiscal imbalance and calm political debate about immigration.

As long as demand for immigration persists, enforcement-only attempts to limit illegal immigration will be only partially effective. Most undocumented US residents enter legally but overstay their visas. And the Trump administration's limitations on asylum applications at legal ports of entry have only increased illegal border crossings.

Rather than continue failed supply-side approaches, the US should aim to reduce the demand for illegal immigration. In this way, immigration reform can be a win-win.

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