

THE WEEK

The weaponization of Milton Friedman

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July 19, 2018

The late Nobel Prize-winning economist Milton Friedman was a free-market libertarian who believed that immigrants helped make America great. Yet he has become the restrictionist right's weapon of choice to expunge the GOP's pro-immigration faction. It's working. The Jack Kemp-style immigration champions are in complete retreat in the GOP, and the ultra-restrictionists are on the march.

How have restrictionists accomplished this feat? Partly by taking Friedman's vague and general observation that free immigration is not compatible with the welfare state out of context and repeating it like a mantra at every opportunity. Not an hour goes by without some restrictionist somewhere — on blogs, social media, online comments sections — invoking Friedman's comment to justify President Trump's aggressive border enforcement and push to slash immigration.

But these anti-immigrant conservatives are abusing Friedman. If they paid attention to his full remarks instead of conveniently cherry picking what suits them, they'd realize that far from cheering Trump's draconian immigration crackdown, the great economist would be denouncing Trump as a colossal fool.

Friedman is rightly venerated by conservatives for his path-breaking academic work and his popular PBS series *Free to Choose*, which extolled the virtues of markets over government. But he was always clearly in favor of immigration. In a 1984 survey of America's top 75 economists on immigration, Friedman reportedly unambiguously stated: "Legal and illegal immigration has a very positive impact on the U.S. economy."

Even Friedman's 1978 University of Chicago speech, "What is America?," from which nativists draw the notorious remark about the incompatibility of free immigration and a welfare state, begins by emphasizing how important it was for the country to maintain its tradition of welcoming foreigners. That's what has "enabled the rest of us to get here" — no doubt a

reference to the fact that he himself wouldn't be standing there addressing that august group if America had slammed the door on his Jewish parents who immigrated from Hungary. He went on to observe that the millions of immigrants who had "flooded America before 1914" (when restrictionism first started gaining serious traction) were an unmitigated blessing for everyone — themselves and the Americans already in the country. "The new immigrants provided additional resources, provided additional possibilities for the people already here," he declared.

But then he went on to say: "It is one thing to have free immigration to jobs, it is another thing to have free immigration to welfare. ... [I]f you come under circumstances where each person is entitled to a prorated share of a pot ... then the effect of that situation is that free immigration would mean a reduction for everybody."

Now, if he had stopped at that, it would have been one thing. But he did not. He went on to declare that despite the welfare state, Mexican immigration was a "good thing" for America, particularly when it was of the illegal variety. Why? "Because as long as it's illegal the people who come in do not qualify for welfare, they don't qualify for Social Security, they don't qualify for all the other myriads of benefits," he pointed out. "They take jobs that most residents of this country are unwilling to take, they provide employers with workers of a kind they cannot get."

In other words, as far as Friedman was concerned, free *illegal* immigration was perfectly compatible with the welfare state and slamming the door on it would be utter stupidity.

Friedman died in 2006. But had he been alive today, he would have been appalled by the prospect of spending billions of dollars of taxpayer money on Trump's wall — not to mention the militarization of the America-Mexico border — all to prevent a good thing: foreign workers willing to bust their butts to put cheap food on the tables of Americans, especially when the economy is at full employment. He would also have been horrified by the senseless cruelty of ICE raids to hunt down and eject hardworking, undocumented workers in the name of interior enforcement.

It is possible that Friedman might have opposed "amnesty" for unauthorized folks because they would then one day become eligible for a "prorated share" of the "pot." Or he might not have. After all, Friedman made his remarks before the 1996 welfare reform law that barred all temporary migrants from collecting means-tested federal welfare benefits. Even green-card holders aren't eligible for five years. So it is by no means clear if he would have gone along with the anti-amnesty crowd, especially given that most amnesty proposals bar recipients from collecting welfare for long periods of time.

But, in general, was Friedman even right that more immigration means a "reduction for everyone" of the welfare pot? Not necessarily, according to his own son, David Friedman, who is himself a brilliant economist and a libertarian theorist. He points out that in a regime of "laissez faire" immigration, "immigrants may get things they don't pay for, but they also pay for things they don't get."

For starters, immigrants tend to be young adults in their peak productive years. This means that another society invests in them while America reaps the dividends. As such, they represent a

one-time windfall benefit for public coffers given that the government gets to collect taxes from them without having had to pay for their schools, health care, and other public services. (Incidentally, studies assessing the fiscal impact of immigration generally don't take this windfall into account.) Given the cost of raising a child in America, it would clearly be much more expensive for Uncle Sam to generate its entire labor force indigenously.

Furthermore, Friedman's implication that more poor immigration means less welfare for natives would make sense in a welfare system where the bulk of transfer payments were from the rich to the poor. But that is not the case in America. The vast bulk of transfers here are from the young (among whom immigrants are disproportionately represented) to the old (among whom natives are disproportionately represented).

Uncle Sam spends \$2.3 trillion in welfare payments annually. However, a full \$1.5 trillion of this goes toward elderly entitlement programs such as Social Security and Medicare. Only \$800 billion goes toward the poor. Unauthorized immigrants in particular paid \$100 billion in Social Security taxes over the last decade that they'll never collect.

A study by Cato Institute's Alex Nowrasteh and Robert Orr found that although an average immigrant consumes more in cash assistance, SNAP (Supplemental Nutrition Assistance Program), and Medicaid benefits than an average native, the reverse is the case when it comes to Social Security and Medicare. Overall, this works out to an average native receiving nearly 40 percent more in total benefits (\$6,081) than an average immigrant (\$3,718).

Of course, states have their own welfare programs with their own eligibility rules for immigrants. This makes it notoriously difficult to tabulate the full costs and benefits of various immigrants. But many economists believe that more immigration is essential to extend the life of old age entitlement programs given that these are pay-as-you-go systems that will become much harder to sustain if America's already plummeting worker-to-retiree ratio (due to declining fertility and aging populations) is allowed to drop any further.

Among them, incidentally, is the late University of Maryland economist Julian Simon, Friedman's friend. Simon was no liberal. He was a fellow at the Heritage Foundation, which used to be pro-immigration once upon a time. Now it is an ardent restrictionist outfit that invokes Friedman to peddle "immigrants-are-welfare-moochers" line.

Of course, Heritage is entitled to repudiate its own work and restrictionists are entitled to advance their cause as they see fit. They are just not entitled to use Friedman. He would never have been on their side.