

Borders, Walls, Nation-States, and Property Rights

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BY PETER BRIMELOW

[Peter Brimelow writes: When Alien Nation was first published, I was approached by several speaking agencies, all happily convinced I would get a flow of lucrative invitations from colleges. It didn't happen—some controversies are apparently too controversial. But I do speak occasionally on campuses and find the students surprisingly receptive. I was invited to Vanderbilt by IMPACT Symposium, and spoke to an attentive gathering before blinding lights on March 20, 2006—alas, there was no video. The topic was “Disappearing Borders.” For a generous account by Douglas Kurdziel in the Vanderbilt Torch, visit www.vutorch.org/blog/archives/000234.html]

Thank you, Jonathan [Jastle], thank you, Ladies and Gentlemen. And I want to particularly thank the people at Vanderbilt who organized this. Everybody talks a lot about diversity. But actually it's surprisingly rare to have an immigration reform point of view presented at a university. I guess the administration is concerned about protecting you!

As you see from my accent, I'm an immigrant here myself. I came here in 1970, when I had to fight dinosaurs and so on to get to Stanford. Maybe that's what's responsible for my political views. Nevertheless, my accent is still terrible, according to my children, so if any of you have any trouble understanding me, please raise a fiery cross or some other cultural symbol—this is the South, after all!—and I will redouble my efforts to assimilate acoustically. *[laughter]*

Now, my topic today is “Disappearing borders.”

One of the things about journalists is—and I'm a financial journalist—is that they write what they're told to. They also write to length, so we will get out of here within in an hour. *[laughter]*.

To show you how assimilated I am, I'm going to quote a poet that no one in England has ever heard of: Robert Frost. Is Anita here? I know she's a Robert Frost fan, but that's how it is, isn't it, Anita *[Anita Aboagye-Agyeman, the Vanderbilt senior assigned to meet me at Nashville airport]*? *[Laughter]* Anita was educated in Ghana, so she knows that the British don't know Robert Frost.

The poem is Mending Wall and I'm sure you all know it. Wall, borders, what's the difference?

It starts with a famous line:

Something there is that doesn't love a wall

and Frost discusses how he goes out into his farm, north of Boston in New England, to inspect the stone fence that lies between his land and his neighbor's land. His neighbor, who walks with him, insists upon repairing the fence, even when it's in an area where there's no reason to repair it—it's going through woods or something—the neighbor says: “Good fences make good neighbors.”

Frost's thought about this, which has been much anthologized, is:

*Before I built a wall I'd ask to know
What I was walling in or walling out,
And to whom I was like to give offense.*

In other words, Frost proposing a Politically Correct wall.

It's a famous passage, and really says a lot about Frost's profound liberalism. Maybe that's why he was invited to recite a poem at President Kennedy's Inaugural.

It's less known—in fact, people who don't ac-

tually read the poem often don't realize—that the neighbor is completely unconvinced by this. He continues to say, in fact, Frost ends the poem,

*He will not go behind his father's saying,
And he likes having thought of it so well
He says again, "Good fences make good
neighbors."*

That's the end of the poem.

And it's an interesting thought: do good fences (and good borders) make good neighbors?

And I'll be giving my answer at the end of this talk!

Well, here I am an immigrant. How can an immigrant dare pontificate about immigration?

One answer: if you don't like being told what to do by immigrants, you really have to worry about current immigration policy. Because we're going to get to the point pretty soon where immigrants are going to be enormously influential in American politics. In fact, the nature of the immigration that's coming in right now is such that it is rapidly eliminating Kevin Phillips' "Republican Majority" and transforming traditional Republican states, like first of all California, and fairly soon Texas.

However, I'll try to answer this question. Here's a country that's being transformed against its will, as far as we can tell from public opinion polls, in a way that's unprecedented in the history of the world, to no particular economic advantage—and you're not supposed to talk about it! I mean, how could I resist?

That's why I started writing about immigration in the early 1990s and why I wrote my immigration book, *Alien Nation*, in 1995.

In some ways, being an immigrant makes it easier to talk about immigration. For one thing, we're always being told that immigrants do dirty jobs that Americans don't want to do. And here I am. [laughter].

For another thing—immigration is a new issue. Americans are constantly being told that they're a nation of immigrants. Of course, all nations are nations of immigrants. There's no known case where people grew out of the ground. The only question is the speed with which the nation was put together.

But it's not true in another sense as well in the U.S. If you look at American history, and I charted it in *Alien Nation*, immigration is highly discontinuous. There have been long periods of time when there has been no immigration at all, stretching all the way back into the Colonial period. And those pauses are central to the process of assimilation.

The longest pause was after the Revolution, from about 1790 to the 1830s or 1840s. In New England, which is where I now live, there was absolutely no immigration from the early 1600s to this point in the 1840s when the Irish started to arrive. But New England and America in general grew enormously in that period—through natural increase.

And the second biggest pause, I should stipulate, is after the cutoff that occurred in the 1920s. Through the middle of the twentieth century, there was a 40-50 year period when there was essentially no immigration at all.

And that's had a very peculiar political effect. You know, generally, people don't have new ideas after they're 21. It's probably too late for some of you here! You can see this in academic life. It's not true that one school of economics refutes another school of economics. What happens is the old guys die off, and they're replaced by new professors coming up who have different ideas. Well the same applies in political debate.

The current generation of politicians and pundits grew up during a period when there was very little immigration. It was triggered finally by the 1965 Immigration Act, which was part of Lyndon



American Poet Robert Frost (1874-1963) questioned the idea that "Good fences make good neighbors" in his often quoted poem "Mending Wall."

Johnson's Great Society, and it didn't really start until about 1970. So a lot of these people came to maturity when there was just no immigration at all. And they just haven't gotten the message.

But most immigrants are fairly skeptical about immigration. They came through the process, you see, and they don't have the romantic ideas about it that American intellectuals do. Having been through the process and seen how perverse it is, they actually know something about it.

So as an immigrant I have a comparative advantage in this debate!

Now, let's talk about "disappearing borders."

You often hear people say that we're moving toward a "borderless world." But this is only true in the First World. When I wrote *Alien Nation*, I went to the trouble of calling up a lot of the countries that send immigrants to the U.S. I called the Japanese Consulate in New York and asked the official, how could I go about immigrating to Japan? And we have a quote, we taped him. He expressed complete surprise and astonishment. He said: "Why do you want to immigrate to Japan?" He said there might be three people a year who become Japanese, and even they don't stay long, they try to immigrate somewhere else, like the U.S.

Well, of course, the Japanese reluctance to accept immigrants is quite well known. And they're not about to change it.

My favorite was India. When we called them up, the first official we got said, "Are you of Indian origin?" When we said no, he said "Submit your question in writing to the Embassy" and then he hung up!

The second official said "Are you of Indian origin?" and when we asked if it was important, he said yes, and he transferred the call. We finally got to a third official who said "Since you are not of Indian origin"—now remember, he meant race

here, we'd already specified we were American citizens—"since you're not of Indian origin, it's a very difficult and complex process to immigrate to India. Among other things, it will require obtaining clearances from the Ministry of Foreign Affairs and the Ministry of Home Affairs. This is a very long process."

In other words, India is running a Brown India program—sort of like the old White Australia policy. And they have probably very good reasons for that. There are quite enough communal problems right now in India, without introducing other divergent elements.

Perhaps one of the most surprising countries where the borders are not "disappearing" despite fashionable belief is Mexico. It's the largest contributor of both legal and illegal immigration to the U.S. and it's in the process now of persuading President Bush to open the borders even further.

When we talked to the Mexican official, he said:

"Unless you're hired by a Mexican company, a Mexican company has obtained a temporary work permit, or you are a retiree over the age of 65 who can prove financial self-sufficiency, you must get a six-month tourist visa, and apply in person to the Ministry of the Interior in Mexico City."

In person!

"If your visa expires before the process is complete, you must get a new visa and begin again."

This is a country which sends two to three hundred thousand legal and illegal immigrants to the U.S. every year.

There is no concept of reciprocity, that they should allow Americans to immigrate there because they immigrate here—even though, of course, the economic opportunities for educated Americans in

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Mexico would be very high.

That's the universal thing about the Third World—*nobody* allows immigration. And there have been several episodes of mass deportation there.

The other day, the Malaysians tried an amnesty for their illegal immigrants from Indonesia. The Malaysian definition of amnesty is very interesting. *It means you get to go home without being punished.*

And what they mean by punishment is *caning*. They beat people with a cane if they find them there illegally.

So it really is only in the First World that this idea of “disappearing borders” obtains.

Well, we all know that diversity is strength. *So maybe they know something that we don't know.*

Very quickly, let me just summarize the actual facts about the immigration situation. I'll make three points:

The first point: *immigration right now into the U.S. is a very big deal by historic standards.*

The Census Bureau says that without immigration, the American population would stabilize somewhere at its current range, right around three hundred million people, because Americans of all races are bringing down their family size to replacement levels. But it's not going to stabilize, because the American government is second-guessing people on population size through immigration policy, through legal immigration and through not enforcing the laws against illegal immigration.

Because of that, the American population is going to four hundred million, maybe even higher in 2050. And over a third of those people, maybe one hundred and thirty million, will be post-1965 immigrants and their descendants.

There has never been a situation in American history where immigration has had that kind of demographic impact. There has been nothing like it, it's unique.

The second point: *we're looking at a government policy here.* Immigrants are not growing out of the ground. They're coming because the government either deliberately lets them in, or chooses to

turn a blind eye to them coming in illegally. Above all, immigration right now is determined by the 1965 Act, which was passed, as I say, as one of the Great Society reforms.

Government policy is determinative as far as the level of immigration; as far as the skill level of immigrants, which are much lower than

they have been historically—this is the first time that on average, immigrants are less skilled than Americans coming in—and, of course, as far as the racial and ethnic composition are concerned.

Because what the 1965 Act did was, it cut off immigration from Europe pretty well, and favored the Third World. Just a handful of countries in the Third World—not all of them. For example, it's something like about a third of all Jamaicans born in the world live in the U.S. now. Several other smaller countries have shipped substantial numbers of their population to the U.S.

The third point: *there's no economic advantage to this policy at all.*

I'm a financial journalist. When I came to look at the technical literature on the economics of immigration in the early 1990s, I was amazed to find that the consensus among labor economists—the consensus—was that the great inflow triggered by the 1965 Act and the simultaneous breakdown of the southern border, which was then something like



twenty million people, is not beneficial in aggregate to native-born Americans. It brings no aggregate gain to the native-born Americans. It does increase GDP, but that is virtually all captured by the immigrants themselves in their wages. And that's the consensus among economists. And it has been for more than ten years.

Since *Alien Nation* came out, I'm happy to say, my reading of the consensus has been confirmed by the National Research Council's report, *The New Americans*, which said the same thing: essentially no benefit to native-born Americans in aggregate; actually a significant loss, because of costs of the welfare state, schools and emergency room health care, that sort of thing, which are very substantial.

The NRC ran a microstudy for California. It found that for every native-born family in California, the immigrant presence in 1996 was costing them something like \$1,000 a year. *Every native-born family in the state of California is subsidizing the immigrant presence by about \$1,000 a year.* Essentially, Americans are subsidizing their own displacement.

And this is the paradox created by the existence of the welfare state. And that's exactly why Milton Friedman, the Nobel economics laureate, says that it's impossible to have mass immigration and the welfare state together. We've had mass immigration in the past in the U.S. And we've had a welfare state, since the 1930s. But we've never seen them both together. It doesn't work. It totally alters the incentive structure for immigration.

You might ask yourself, why is it that you can have something like 10 percent of the workforce foreign born and yet you still don't see any great benefit to the native born. The answer to this is that labor is only a minor part of the factors of production. Even

labor and capital together are quite small. There is substantial technical literature on economic growth, and it shows that what drives it is technology. Not increases in labor or increase in capital.

And you see this in Japan of course. The Japanese are world experts in the use of robots. They have robots that bathe people—if you're an invalid you get stuffed in a robot, a machine that bathes you. Now in California we see the opposite, its economy is moving in a labor-intensive direction in the last 20 years. They've started growing strawberries and things like that which need, actually need, stoop labor. They get that stoop labor in the form of illegal immigration. And they don't pay the full cost of it because the full cost of emergency room healthcare

and so on falls on the taxpayer.

However, and this is a very important caveat, although there is no aggregate benefit for Americans, immigration does have an enormous impact on the native-born community in the form of the redistribution of income, funda-

mentally because it reduces wages. It's transferring income from labor to capital in the U.S., from native-born suppliers of labor to native-born owners of capital. And by no small amount—2-3 percent of GDP every year.

And that explains the class nature of this debate. Although immigration is not beneficial in aggregate to Americans, it is beneficial to people who run factories and farms and things like that. They like it, and so they lobby for it. And, in a common phenomenon in political science, when you have a small organized group that benefits a lot from something, it can overwhelm the disorganized majority that is disadvantaged from it only slightly.

That explains the class nature of this debate, it's essentially a raid, from an economic standpoint,

Category	Outlays	Receipts	Net Cost
Education			
Illegal Aliens	\$669		\$669
Children of Illegal Aliens	841		841
Uncompensated Medical Care	165		165
Incarceration	155		155
Tax Payments		920	-920
Total	\$1,830	\$920	\$910

it's a raid by the owners of capital on the working class, essentially.

I've been involved in the American conservative movement for more than 30 years. I worked for John Ashbrook—*Ashbrook*, not Ashcroft!—against Richard Nixon in 1972. But I have to say this is a very unedifying spectacle, what's happening here—what the Republicans I've supported for so long are doing here.

Let me say a bit more about this impact on wage levels. You know, to paraphrase Trotsky, you may not be interested in immigration, but immigration is interested in you!

About two years ago, George Borjas, who is the leading economist on immigration—he's a Cuban immigrant who teaches at the Kennedy school at Harvard—he published a paper which for the first time showed substantial impact on wage levels, not simply of the unskilled, but also of college-educated Americans. It appeared, for those of you who are interested, in the *Quarterly Journal of Economics* in the Fall of 2003. [The Labor Demand Curve Is Downward Sloping]

Borjas showed that immigration from 1980 to 2000 had reduced the wages of the average native-born worker by about 3 percent. But the effects varied dramatically according to age and to skill levels. The worst, of course, was for native-born high-school dropouts. Their wages were reduced by about 9 percent. But even for college graduates, wages were reduced by about 5 percent. The impact was greatest for college graduates with about 10 years experience, i.e. the ones who are raising young families. But even new college graduates' wages are reduced by about 5 percent a year. [*Vdare.com note: Peter Brimelow was speaking from memory. In fact, it's 3.5 percent, according to Ed Rubenstein.*]

This is a substantial cost that's being imposed on American workers, for no overall benefit. I'm not

saying, of course, that immigration is of no value. I think a limited amount of skilled immigration could be justified. I mean look at me, I'm well worth having, I'm sure you agree. [*laughter!*]

But it's a luxury, not a necessity. And what you're going to see, if this trend continues, is that America is going to become Brazil. There are going to be a small number of very wealthy people living in gated communities and a very large number of very poor people sort of scuffling around out there in the dirt. And the one is going to have to be protected from the other.

And this is a profound shift in the American way of life.

If you think about [Frederick Jackson] Turner's Frontier Thesis, the idea that abundant free land was responsible for American democracy and American political culture—well, the frontier's closed. Things are heading in an opposite direction now. We may see the Frontier Thesis go into reverse—America's democratic culture may be destroyed by government-imported inequality and scarcity.

Well, why did all this happen? Well one reason is,

it's just an accident. When the 1965 Act was put through, it was supposed to be a symbolic measure, a gesture to the "non-discriminatory" spirit of the Civil Rights Era. Very explicit assurances were given, for example by Teddy Kennedy, who was actually the floor manager in the Senate, that levels of immigration would not increase, that a particular country would not dominate the flow, and that the ethnic balance would not be shifted and all that kind of thing, all of which have proved to be untrue. So, you know, an accident is a possibility.

Another possibility is the sheer power of the special interests, by which on the hand I mean business—and on the other hand government, which is often overlooked. The government bureaucracy likes to have clients. So does the



**Harvard Economist
George Borjas**

quasi-government—one of the curious things about current policy is the activity of the refugee agencies, which are in the business of getting refugees into the country, claiming government money for them, and then dumping them on the welfare system. And they're very good at it.

And the third special interest, of course, is ethnic. Obviously, many of the immigrants themselves want to have more of their own people come in because their political leaders think that will increase their power base. And there are other groups as well, for example the importation of Soviet Jews through the Refugee Act.

I think in the end, and this applies to all of the First World, what we're looking at here is what I call "Hitler's Revenge". I think that the intellectual elites and the political elites of the First World were so affected by the Second World War, were so traumatized by the struggle against Nazism, that they sort of went overboard in the opposite direction. They became convinced that any kind of ethnic identity at all was unacceptable. And so they are literally in the process of dissolving their own nations, because they can't stand the guilt of stopping legal and illegal immigration at the border.

I also favor the explanation of stupidity. I think that's a good explanation for a lot of things in human affairs. I worked at one stage for the *Wall Street Journal* Editorial Page. The great editor of the *Wall Street Journal*, Bob Bartley, once said to me—we were having a dispute about immigration and I wanted to know why they wouldn't let me respond to their attack on my immigration book—and eventually he said to me, you know, all of this nonsense, nothing can be done about it, *the destiny of Europe*

has already been settled in North Africa.

What he meant that illegal immigration from North Africa was going to overwhelm Europe in the near future.

I was surprised by this because it's obviously a simple matter to stop North Africans from coming in, I mean, what are they going to do—swim? They can be stopped all right. It's just a question of whether you've got the will or not.

So I said "That's a poor lookout for the nation-state." And Bartley replied, "I think the nation-state is finished. I think Kenicho Ohmae has got the right idea." Ohmae was a Japanese who was advancing the idea that you were going to see a movement to economic regions that would be governed transnationally rather than through traditional means.

Well, needless to say, I was amazed by this. I knew that Bob's readership were predominantly conservative Republican who were patriots, nationalists. And that they would be astonished to find that the editor of the *Wall Street Journal* that they read faithfully everyday believed

that the nation-state was finished. I mean, you can see the headlines in one of the *Journal's* A-head stories, you know "*Editor of Journal Revealed as One-Worlder—Consternation Among Readers—Is Pope Catholic?*"

And the thing is, I just don't see how it would work. You didn't get to ask Bartley questions like that—he's dead now, unfortunately—but he wasn't the kind of boss who encouraged questions and argument.

But, for example, you need borders to stop disease. Even at the time of Ellis Island, about one percent of immigrants were sent back because they were found to have disease. Now, there are all kinds



of extraordinary diseases brewing out there in the Third World because of these huge mega-cities that are developing there. But we have really no way of stopping them spreading anymore. We have close to 2-3 million illegal border crossings every year. How are those people being screened for disease? They're not.

For that matter, actually, there's no real disease screening for legal immigrants either.

So I just don't see how this "borderless world" is going to work.

And I don't see why it's necessary. I mean, two hundred years ago, when Catherine the Great wanted to have better farming in Russia, she had to bring German farmers in, because the Russian peasants were illiterate and there was no other way of getting the information in.

But now there are telephones! There are fax machines! We can convey economic information, technological information, without actually having to move people around.

So immigration is not necessary. In fact, I would say that exactly the opposite is true. I think that, to the extent that you get free trade in the world, all kinds of small countries can survive, because they don't have to be vertically integrated. But that's a technical argument; we'll perhaps get into that later.

That's really the ultimate question about the "borderless world"—will it work?

You know, it is true that the U.S. is a nation of immigrants that was put together very quickly—whereas other nations of immigrants, such as Britain, were put together over a thousand years. But the danger of this is that it can be undone equally quickly. It can fall apart, it can become chaotic, it's like the Tower of Babel, it could collapse into a thousand warring tongues.

I think the truth about the nation state is that it's actually a relatively recent development in human history. Many of the great ones that we're aware of, like Italy and Germany, were only really created in the nineteenth century. They're a product of modernity and democracy.

You see, if you have a mass educated population, and mass literacy, it absolutely matters

what language they function in. Similarly, if you have a voting population, if people to actually vote about how their lives are going to be run, the question arises: what community are they in? Are the Irish in Ireland, where they were in the majority, or are they part of Britain, where they're outvoted? So the definition of the community become necessary, it becomes critical.

That's why we see that with freedom, some of these huge syncretic "nations"—like the Soviet Union, Yugoslavia, where they actually did try to develop a purely political definition of nationality apart from ethnicity and language—have broken up.

The Tragedy of the Commons

You know, I keep talking about economics. There's an economist called Garret Hardin who wrote a famous essay called *The Tragedy of the Commons*. (Have any of you ever heard of *The Tragedy of the Commons*? Good, good!) It's really an essay about what happened to the common lands in Europe, why were they overgrazed. They were overgrazed, and eventually they were seized by landlords and broken up and moved into private hands.

The answer is, of course, that when you have common land like that, nobody has an incentive to preserve it. Everybody has an incentive to maximize their own short-term consumption, even though it contributes to long-term degradation of the entire resource.

Hardin himself was a socialist and thought that the government should just have come in to control the commons. But there is another answer—in fact, the answer which has emerged—which is property rights. If you have clearly defined property rights, then it really matters who is grazing on whose land and each property owner has every incentive to preserve his own land and maximize his utility and so on.

I would argue that borders are as essential to free societies as property rights are to free economies. You don't get functioning free economies without property rights. That's why for example, there was an early version of the Industrial Revolution in the

Netherlands in the late medieval period, but it collapsed basically because inventors couldn't be sure that they could keep the fruits of their labors.

It was only when you had a firm law of property, as they did in Britain, that the Industrial Revolution was able to get underway.

I think it was only when we have clear borders, and when we have a clear definition of what a citizen is and what his rights and responsibilities are, that we're going to maintain a civil society, an open society, a liberal democracy.

In other words, you'll be surprised to know, I think that Robert Frost's neighbor was right to say "Good fences make good neighbors."

I'm going to conclude with one of my favorite quotations from Alexander Solzhenitsyn. Solzhenitsyn of course, won the Nobel Prize when he was in the Soviet Union, he wasn't allowed out to receive it, and then shortly after that he was expelled. The speech had to be read for him.

But there's a wonderful passage in it in which he said—it was a digression from his main theme—he said

The disappearance of nations would impoverish us no less than if all men became alike with one nature and one face. Nations are the wealth of mankind, its collective personalities; the very least of them wears its own special colors and bears within itself a special facet of God's design.

Now that's a remarkable statement for somebody who was brought up as a Marxist in that other would-be Universal Nation, the Soviet Union.

It seems to me that the U.S., as it had evolved by 1965, did reflect a special facet of God's design. That special facet depends upon borders to protect it. And I would like to know why the government has decided no longer to defend them.



Brimelow: Shall we take questions?

Chairman: Yeah, we're going to have a brief question and answer period of about 15 minutes or so. If you have a question, just make your way to the back. We have a microphone on this side, that Sarah is monitoring as well, so....

Question No. 1: Mr. Brimelow, thank you so much for coming to speak to us tonight. My question for you is with regard to diversity. With the immigration reforms that you're proposing, there could indeed be a lack of diversity in our nation. I was wondering how important you think diversity

is for us as a nation—diversity of races, opinion, thought—and maybe just what place you think that has in our society, our schools, our places of work, et cetera.

Brimelow: I think you can make a strong case for diversity of thought. And I would say, actually, that was the characteristic of the Eng-

lish-speaking world, since the advent of the modern age. I don't see particularly why you need diversity of race or of anything else. In fact, it seems to me that works in the opposite direction. It's when you have deep divisions in the population it becomes impossible to discuss things because peoples feelings are too sensitive.

But of course, what does it matter what I think? The real question is—we should go to the American people and tell them, "Do you want to have the country transformed completely by 2050?" And the people who are in favor of this transformation should tell us why they're in favor of it. And then we'll have a vote on it, and see what happens.

Question No. 2: We're always told that it's impossible to patrol the border, it's too long, it would require too many people to man it. Also, once an illegal immigrant gets into the country, they may have children who I would assume would be, if they were born in the U.S., citizens. So how practical is it to do this?

Brimelow: Well, at any one time, the U.S. Border Patrol has about 10-11,000 people that they can put on the border. There are something like 130,000 American troops in Iraq. *What's wrong with this picture?* What is the national priority here?

Of course the U/S. government could control the border if it wanted to. There are machines to do it, there are sensors to do it. The southern border is about two and a half thousand miles long. There are forty thousand miles of interstate in this country. If they built an interstate along the whole thing, then they could stop people from coming across. It's not a difficult problem.

Your other question is a very important one. It is true that, under current interpretation of American law, of the Fourteenth Amendment, any child born in the U.S., even to an illegal alien parent, is an American citizen. And that makes it practically impossible to deport them. It's not absolutely legally impossible, but it's difficult. And, of course, nobody has the guts to do it. I think that doing something about the "citizen child" clause is essential to getting control of America's borders right now.

Above all, you can't have any kind of a guest worker amnesty program without doing something about the Fourteenth Amendment. Because otherwise any guest worker who has a child here is here for good. See, the thing about them is this: these children are immediately welfare magnets. They get tremendous subsidies from the federal government and from state governments. And those subsidies are in the hands of the parents, to spend any way they want.

So this has totally altered the incentive structure for immigration. People have every incentive to stay here, and have a child here.

So this is a reform that needs to be done.

But the problem is not as complex as people think it is, you know. Every year, about two to three hundred thousand illegal immigrants go back. There's tremendous rotation over the border. You could encourage them to self-deport by simply

removing the subsidies that exist right now. For example, by simply taxing remittances.

There's a million things that could be done. It's just that the government is not interested in doing them.

Question No. 3: Tonight you said that the wages of native-born Americans have been adversely affected since about 1980, especially for those of lower income and lower education levels. I was wondering why you thought, as a result of that, our government has refused to raise the minimum wage since 1997?

Brimelow: Well, I think what they're doing with minimum wage is that with so many of these illegals working off the books, it has become a dead letter anyway. A raise in the minimum

wage is a difficult thing to enforce when you have lots of illegal immigrants about. But I have to say—and I say this as a sort of recovering Republican—that I think that the Bush administration is simply driven by corporate contributions. It's not a complex problem. They're just doing what their corporate contributors want them to do, without thinking it through very carefully.

From the point of view of economic logic, I'm skeptical of the value of increasing the minimum wage, that it actually would benefit anybody. But it certainly won't benefit people when you have this substantial reserve army of illegal workers to undercut the...

See, it's a great deal, this employing an illegal alien. You pay him off the books so you don't have to pay all these payroll taxes. He doesn't pay taxes. If he gets injured on the job, he goes to the Emergency Room and the hospitals are compelled to treat him by law. The presence of the illegal work force is very largely the shadow of regulation. It's not surprising American workers can't compete under those situations.

So I'm not sure that raising the minimum wage would help very much. But that's not why it's not being done. It's not being done because McDonalds

“The presence of the illegal work force is very largely the shadow of regulation.”

doesn't want it to be done. And they're big contributors.

Question No. 4: [A legal immigrant, with a fairly strong accent.] Hello. You have, by having this illegal population in the United States, a large undocumented economy. And many economists have predicted that if you make this undocumented economy legal, [taxes from] it will be sufficient to at least cover the current deficit in the budget. The question to you is, the current administration is proposing that, putting illegals on guest worker visas, making them permanent residents, things like that. By having that, what impact would it have on the economy? On businesses in the United States.

Brimelow: You and I share the same impediment—being born outside the country! I'm not sure that I've grasped your question completely. But as I understand it, what you're saying is—if we could get these immigrants who are working off the books into the taxed economy, then it would be a benefit to the Treasury, is that right?

Well, you know, there's a lot of work done on what the contribution of these illegals is. And it's small. It's not large. It's not large because they are typically unskilled.

Question No. 4: (cont'd): There was a cover story [Going Underground The shadow economy is about to top \$1 trillion, January 3, 2005, by Jim McTague] in *Barron's* about a year ago which they argue, with calculations, is as good as \$400 billion in the taxes. By bringing them into the tax system, you can get \$400 billion –

Brimelow: \$400 billion...well that's small

percent of an \$11 trillion dollar economy. I mean, it's not a big number as a share of GDP. [PB note: in fact the Barron's estimate refers to the entire underground economy. Unpaid taxes imputed to illegals are estimated at only about \$50 billion]

You know, there's this film that came out a little while ago, *A Day Without Mexicans*, about what would happen if all the Mexicans disappeared. Well, there are various amusing ways to look at this. But it is true that, as far as I can estimate, that if

you could make all the illegals vaporize tomorrow, return home tomorrow, it wouldn't reduce total output by as much as one percent of GDP. Probably much less than that.

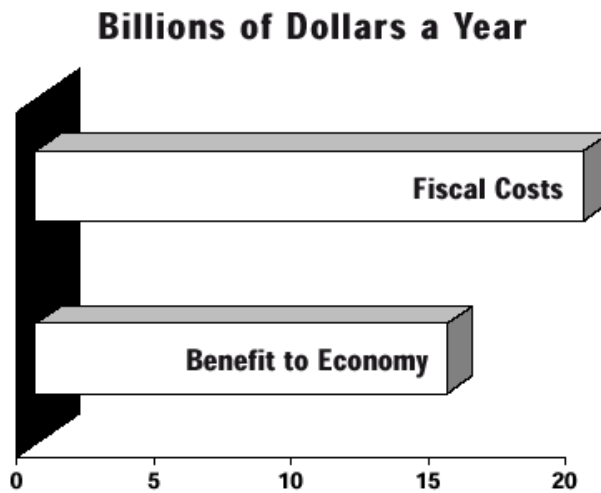
And the labor market would simply adjust to take care of it. We would simply start employing people who are currently unemployed, start having people work longer, there are a lot of things that could be done.

I don't think that the contributions

of illegal aliens to the economy, *whichever way you look at it*, is very large.

Question No. 5: Why do you think the American public has a lack of interest on this issue? I mean, I know your book was a bestseller, so you would think that the information was out there, but there's not enough going to make the border closed or more strict.

Brimelow: Well, opinion polls have consistently shown that the Americans are highly disturbed by the issue. There's a reason why the President hasn't been able to get his amnesty program through, although he's been trying now for six years. That's because when the Republican congressman go



Source: *The New Americans*, National Academy of Sciences, 1997.

A 1997 report by the National Academy of Sciences documented the cost-benefit ratio of mass immigration to American taxpayers. The fiscal costs, in the graph shown above, outweigh the benefits that immigrants pay in taxes.

home, they find that their districts are fiercely opposed to it.

But it's an unusual debate, this immigration debate—it doesn't really surface. One reason is that there's an unusual form of political correctness about immigration which embraces both left and right. For example, when we saw these National Research Council numbers coming out in 1997, about how California families are spending about \$1000 a year to support the immigrant presence in the state, we thought it would cause a revolution. But it didn't cause a revolution *because it wasn't reported anywhere*.

No mainstream media paper wants to report this stuff. I could *never* write about the economics of immigration when I was at *Forbes*. They just simply wouldn't allow it. They don't want to hear about it. So the issue has been kept out of the debate very successfully for a very long time.

On the other hand, this is exactly what happened between 1890 and 1920. It took about 30 years of agitation and argument before the Congress cut off immigration in the 1920s. These things take time.

The fact that immigration enthusiasts are able to stop debate by accusing everybody of racism is another unusual element in the debate. But eventually that's going to wear off. People are going to get bored with it. And we will see immigration get into politics—if not in this election, then the next election.

There's a rule in the stock market: if something can't go on forever, it doesn't. We had this tremendous bull market in the 1990s, it couldn't be

sustained, and it wasn't. It took two or three years longer than we thought, but it did happen.

And I would say the same is true for the dollar right now. Eventually, it will break.

And I say that's true with the immigration debate—eventually, it will clear. The longer the wait is, though, and the more ruthless the tactics that the immigration enthusiasts use, the more violent the ultimate cutoff will be.



The behavior of the Bush administration amazes me. I mean, generally speaking, when you have a policy which is unpopular with your base, you at least make some effort to placate the base. Even if you're determined to push the policy through. But they make no effort to placate their base. They behave with extreme arrogance towards it.

I think there's a good chance that this immigration issue will ultimately break the party system in the U.S. There will be new parties formed around it. That's what happened in the 1840s, at the time of the great wave of immigration from Ireland. It wasn't slavery that broke the second party system. It was the American Party and Know-Nothings—most of whom, by the way, were also abolitionists. So when abolition later came to the forefront, they joined the Republican Party.

Once every several generations, the American party system shifts. I think that's what's going to happen here.

Question No. 6: In the last election, there was a big debate about Social Security—about how, with the Baby Boom generation reaching its peak age, the ratio of workers supporting retirees would

fall too low, and Social Security and Medicare will have to be decreased. So my question is: do we need a certain level of immigration to offset the aging population?

Brimelow: Well, you know, the Social Security Administration itself has projected that if we had enormous immigration—I forget what it is now, but it's above current levels—it would stave off the bankruptcy of the system by about two years. So it's not going to save a system which is fundamentally flawed.

The reason for that, by the way, is that the immigrants themselves are eligible for benefits. And often receive them in excess of what they've paid in. So it's a chimera, this idea that immigration can bail out Social Security.

It is true that where you have intrusive government programs causing lots of trouble, they often can only be patched up, in a band-aid way, by immigration. For example in Britain, the National Health Service, which is basically a socialized medical system, over time degraded because it destroyed the incentives for people to go to medical school and that kind of thing. And for quite a long time, it was propped up by the immigration from the West Indies of nurses, who would work for less money. So what you have is one bad government policy being bailed out by another bad government policy.

The answer, of course, is to not have the one bad government policy in the first place.

Social Security is a disaster area. It's a problem in the economy that needs to be sorted out.

Question No. 7: Earlier on you cited Jorge Borjas. [*Spanish pronunciation*]. As I recall, Borjas is quite a fan of what is called the "points system", which is in place in Canada and also I believe in Australia. Are you in favor of such a system? And to what extent should such a system, in your eyes, not only take into account education of the immigrant, but also cultural factors? Thank you.

Brimelow: (He calls himself George, so I'll continue to call him George, if you don't mind!) George does favor the point system. The Canadians look at potential immigrants and give them points on the basis of the various things Canadians think

they want. One of them is speaking the national languages, either French or English. Now, see, that makes an enormous difference because that means you don't have to worry about bilingual education. You tend to have immigrants who speak the national language.

So I think the point system does make a great deal of sense. It's a problem in the U.S.—you see in Canada, immigration is determined by administrative methods, whereas in the U.S., it's controlled by statute. It's treated more like a civil right. If you're in here, you have a sort of civil right to bring in relatives. So, naturally, Americans have no control over who comes in. They can delay it, but they can't stave it off indefinitely.

Immigration: The Canadian Model

That's why you see the deterioration in skill levels both of illegal immigrants and of legal immigrants. Even when you have highly skilled legal immigrants—like, for example, from the subcontinent of India—over time, the legal immigrant flow from India has degraded in terms of skills because they bring in relatives.

So it does make sense. But the problem with the Canadian system is—well, first of all, they have trouble because there is a family reunification aspect to the program and that keeps taking over. But also they set their numbers extraordinarily high. The numbers of immigrants going into Canada are actually a significantly larger fraction of the population that they are here. So the point system wouldn't ultimately alter the question of "do you want the population to stabilize at 300 million?", which is what Americans seem to have decided, or, "do we have to drive it to 400-500 million?"—which is what the government apparently wants to do. You still have to make a judgment as far as the numbers of immigrants coming in.

The short answer is, yes, I think a points system obviously makes sense. Frankly, practically anything would make more sense than the current system. It's obviously profoundly irrational and very paradoxical and it doesn't work at all and the only reason why it's not reformed is because the people who currently benefit from it don't want to

open up the debate. They're afraid that if the debate gets opened up, then their various privileges that they've got carved into it will be taken away. That's why they're so determined to have no debate at all and no legislation on immigration.

That's the long answer. But the short answer is yes, I think the points system makes sense.

Question No. 9: Hi. Assuming that these illegal immigrant workers are not paying federal income taxes, do you know how much of their wages, that they're earning here in the U.S. are being spent on domestic goods and property taxes and sales taxes, versus how much is being sent home to their original nations?

Brimelow: There are very elaborate calculations on that, which were dealt with in the National Research Council report that I referred to. And the answer is that it's not so much the remittances that are the problem, but that their use of the welfare system and public education etc. far overwhelm anything they're paying in taxes.

So, from a fiscal point of view, they're a loss.

I mean, per capita K-12 education spending in this country is \$9-10,000 per year. That's a huge amount. Most unskilled workers are only making \$15-20,000 a year. They have a couple of kids, you're already in the hole.

Question No. 10: Good evening Mr. Brimelow. You mentioned Canada's national languages. To what extent do you believe America is suffering without an official language? Do you support efforts to make English our official language?

Brimelow: Well, I think the Americans have gotten themselves in a situation very similar to that which the Quebecois were in, in the 1960s. They're faced with very rapid erosion of their own language community. And a foreign-language enclave is developing. And what they did in Quebec was, they simply compelled the English speakers to operate

in French in the workplace, and they wouldn't even let them have English signs, and so on. It was a very brutal thing, and had the effect of driving a lot of Anglophones out of Quebec—which was what the Quebecois wanted. And it has succeeded in making Quebec a French-speaking society, safeguarding the French language in Quebec.

To the extent that you see foreign language crop up in the U.S., then eventually the native-born community, the English-speaking community, is going to have to take steps to protect itself.

I get email all the time from people—nurses and people working in hotels and so on—who say that the

workforce in their area that operates in Spanish has reached a critical mass because the employers are hiring so many illegal immigrants. And they can no longer get jobs if they don't speak Spanish. In America, it happens all the time. I get these emails all the time.

It's because of this that the Quebec government decided to compel employers not to do that. They wouldn't let employers informally operate in English; they required them to operate in French. They protected their own people.

I think ultimately the American government is going to have to decide whose side it's on.

I do think that an Official Language policy is necessary. It's not something that would have been necessary with good immigration policy—but we don't have a good immigration policy. So, this is one of the things that's going to have to be done to repair the damage.

Question No. 11: I actually have two very quick questions. The first is, how do you differentiate between people who are seeking American citizenship or who are just coming to America to better their lives from people whose lives depend on their ability to come to America—like Sudanese immigrants, some of whom are extremely young,

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and can't help their situation, who would die if they stayed in their country? Their lives depend on it. Is that a human rights issue?

The second question is: how can you truly have diversity of thought if you don't also have diversity of race. People of different races have had different life experiences, based on others' perceptions of them as their race. So, if your experiences shape your thought, and you've had different experiences because of your race, how can diversity of thought exist without diversity of race?

Brimelow: I guess I'll answer the second question first. The reason why you can have diversity of thought and diversity of intellectual patterns and so on is the *telephone!* It's the *internet!* It's *international travel!* It's people *learning foreign languages* and *going abroad for junior years* and things like that.

You don't actually have to physically import large numbers of people from different countries to shake things up here. Particularly if they're not educated.

I just don't see what good it does. I just don't see how you can possibly argue that very large numbers of illiterate Mexican Indians in the U.S. is going to do intellectual discourse at Harvard any good.

Now, to answer your first question: there are several different ways to immigrate to the U.S. One of them is under the refugee statute. There are a lot of immigrants who come in under the refugee statute. They actually are not refugees, very few of them actually suffer from life-threatening situations at home. It's just become an expedited subsidized immigration program for politically-favored groups. First of all, the Soviet Jews, and now that they've run out of Soviet Jews, they've got various other rackets going on. And this very much benefits the refugee contractors, the agencies that bring them in.

But generally speaking, the evidence is very clear: these people are not under mortal threat at home. In the case of Soviet Jews, they often went back and to, they commuted back and to for years and years, they weren't afraid of going back to Russia.

But more generally I'd say, you know, the United States is not some sort of international Kleenex. All kinds of people all over the world are in terrible situations. There's only a very small fraction of them could possibly come to the U.S. Even

if you brought in a million a year, that's nothing in the context of the global population.

If some situation overseas is bad, in the end maybe Americans should go in and sort them out. I'm not in favor of it, but it seems to me to make more sense. Maybe we should have forces policing foreign hotspots.

Frankly, that was the motive for the partition of Africa in the late nineteenth century. European countries had been trading with Africa for a hundred

years quite happily, they didn't need to control the ground in Africa. But they went in because of the [Arab] slave trade. The missionaries forced them into it. I'm not sure it was a successful experiment, but it could be tried again.

But bringing large numbers of people and settling them in lily-white communities in Maine is not going to do anybody any good. There's too much pain in the world to be relieved by American immigration policy. It might be relieved by other policies.

But the numbers are just too large for American immigration policy to make any significant impact on world suffering.

Chairman: Thank you all for attending, and I want you all to join me in thanking Mr. Brimelow again. ■



“ ...the United States is not some sort of international Kleenex.

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