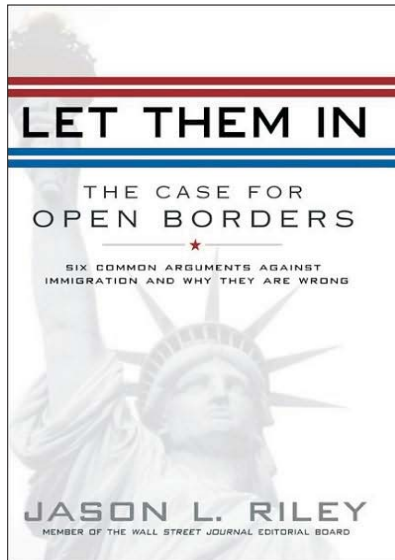




The Nelson A. Rockefeller Institute of Government

Let Them In: The Case for Open Borders



A Book Forum

Presented by
Jason L. Riley

Commentators:
Pedro Caban
Irene Lurie

June 23, 2008

Robert Ward:

Good morning, everyone. Thank you for joining us for this Rockefeller Institute Book Forum on *Let Them In: The Case for Open Borders*, by Jason Riley. I'm Bob Ward, the deputy director of the Rockefeller Institute, and welcome you on behalf of our co-directors, Dick Nathan and Tom Gais.

In addition to Jason, we are very pleased today that Pedro Caban, vice provost for diversity and educational equity at the State University of New York, is going to be speaking with us, as well as Irene Lurie, who is a professor at the Department of Public Administration and Policy at the University at Albany and a research associate here at the Rockefeller Institute.

The topic of Jason's book is immigration. We're coming up next year on the 400th anniversary of Henry Hudson's trip up the river that bears his name and the start, if you will, of

a pretty amazing journey in economic and social development in this country and particularly here in New York State.

I won't say much to preempt anything that Jason is going to say, but I will just point out that immigration is a major and important issue all across the country, perhaps nowhere more so than here in New York. If you look at the numbers from the Census Bureau, New York is second only to California in the number of international immigrants who have arrived in this country since 2000.

If you look at the other side of the coin, the number of people who move out of the state going elsewhere in the country, New York is, far and away, number one. From April 1, 2000, to July 2007, New York gained 860,000 residents from overseas or crossing international borders. We sent about 1.4 million people to other states in internal migration. So we had a net loss of almost 600,000 during that period. If you put those numbers on a proportional basis to population, we're still number one in net migration.

Many of us have been talking for years about the benefit that many parts of New York State have had by virtue of people coming to this country from overseas. And of course, there are challenges in addition to the benefits that we see and our speakers will talk more about that.

Let me now introduce Jason Riley. Jason is a member of the editorial board at *The Wall Street Journal*, where he has worked for 14 years. His writing there covers a wide range of topics, including economics, telecommunications, education, and race, mostly from a public policy perspective. He also writes frequently on politics and policy at the state and local level. We here at the Rockefeller Institute particularly appreciate that because we are constantly trying to remind people around the country of the importance of state and local governments.

Over the past seven years, one of the topics that Jason has delved into quite a bit is immigration, its effects on the economy, the culture, and the political debate in the United States, and he has in the course of doing that reported from places such as Silicon Valley and the Mexican border.

He started at the paper after graduating from the University at Buffalo, a proud State University of New York graduate, which we are happy about, and he has also worked at his

hometown paper, *The Buffalo News*, and at *USA Today*. Please join me in welcoming Jason Riley.

Jason L. Riley:

On the day the book was published, three weeks ago, Lou Dobbs was kind enough to invite me on his show. Suffice it to say, he was not persuaded of my arguments, but the experience was interesting, nonetheless, just as illuminating about his tactics. Guests on the show are put into a little side room where you can watch the show progress until it's your turn to go on.



So I was sitting in there watching the monitor and before each commercial break, Dobbs said what was coming up later in the show. And the way he would tease my appearance was to say, “Coming up later, we have an author who wants to let even more illegal immigrants into the country. It’s all in the title of his book, folks, *Let Them In*. We’ll be right back.”

I want to thank Bob Ward and the Rockefeller Institute for giving me an opportunity to flesh out the arguments as I intended them to be in forums like this. I appreciate you all coming here today to hear me. I also want to thank Pedro and Irene for participating in the event. I do appreciate it.

What is the case for open borders? Very simply, the case for open borders is the case for allowing the free market to determine how many immigrants we need in this country. Right now that determination is made by politicians and public policymakers, who essentially set arbitrary quotas. It’s so many from this country, so many from that country.

And like most exercises in Soviet-style social planning, it has been a complete disaster. We have thriving markets in this country in document fraud; we have thriving markets in human smuggling. We have bodies strewn across the Arizona desert. And, of course, we have 12 million-plus illegal immigrants in the country. I think our policymakers would do better to let the law of supply and demand determine the level of immigration. And I think

this can be done with viable guest worker programs. We have guest worker programs in name only in this country now, with quotas that are set by policymakers and politicians who put their fingers in the political wind year-to-year to determine the levels.

And I think letting the law of supply and demand work will do two things. It will reduce illegal immigration, first of all. These are economic migrants coming; they are coming to work. We have the jobs they need to work. Give them legal ways to come and fewer will come illegally. These folks have no desire to be in the country illegally. They would rather use the front door; let them use the front door and, thereby, reduce illegal immigration into the country.

The second thing it will do, and perhaps even more importantly in this day and age, I believe, is make us a safer country from a homeland security standpoint. The border patrol and homeland security personnel today spend a lot of time chasing down economic migrants. And I think this is a very poor and inefficient use of our homeland security resources. I'd much rather they be focused on drug dealers, gang members, and potential terrorists. Right now, they are raiding meat packing plants in Iowa — where the unemployment rate is 3.5 percent, by the way. How many Al Qaeda cells have they uncovered in Iowa? I just think this is a very inefficient use of our homeland security resources.

If we give people more legal ways to come and those people use those ways, I think our homeland security resources can focus on real threats, instead of trying to track down people coming here to burp our babies, or mow our lawns, or be short-order cooks or busboys. I just don't think, in this day and age, that's what we want them doing. And right now they are stretched very thin, because that is what they are focusing on.

My experience has been that after I make that argument, the goal posts sort of move. Once you explain how increasing legal immigration would be an effective tool in decreasing illegal immigration, people essentially start telling me, "We don't need all of the legal immigrants either."

The Wall Street Journal's position on immigration is of a piece with its general philosophy, which I happen to share. We favor free people and free markets, and that includes free and flexible labor markets. Most people who self-identify as free market conservatives claim to share this belief and usually they do. But one glaring exception seems to be when the topic turns to immigration. No self-respecting free market adherent would ever dream of

supporting laws that interrupt the free movement of goods and services across international borders.

But when it comes to laws that hamper the free movement of workers who produce these goods and services, too many conservatives today abandon their free market principles. Adam Smith, David Ricardo, and John Stuart Mill give way to Lou Dobbs. Ronald Reagan gives way to Pat Buchanan. Principled conservatism gives way to a sort of reactionary populism, and some of us find this very troubling.

One of the reasons I wrote this book is to show there's no inconsistency in advocating for both free markets and open immigration. The subtitle of the book is *Six Common Arguments Against Immigration and Why They Are Wrong*. And I chose that subtitle because over the years I've heard the same anti-immigration arguments repeatedly, "They're stealing jobs; they're depressing wages; they're overpopulating the U.S.; they're filling our jails and prisons; they're overburdening our welfare system," and so on. And yet time and again my own reporting and research has found these claims either way overblown or simply untrue.

One quick example: If your go-to person on immigration is Lou Dobbs, Sean Hannity, Bill O'Reilly, Laura Ingraham, or Rush Limbaugh, you might be convinced that we are in the midst of an illegal immigrant crime wave. Yet the evidence does not support this claim. Because many immigrants in the U.S., especially Mexicans and other Central Americans, are young men who arrive with very low levels of formal education, popular stereotypes tend to associate them with higher rates of crime and incarceration. But anecdotal impressions cannot substitute for the empirical evidence, and the fact is that numerous studies by independent researchers and government commissions over the past 100 years repeatedly have found that immigrants are less likely to commit crimes or be behind bars than the native born. In fact, among men between 18 and 39, who, of course, comprise the bulk of the prison population, the incarceration rate of natives is five times higher than the incarceration rate of immigrants. And this is not because law-abiding, model immigrants from India and China are compensating for crimes by uneducated, low-skilled Latino immigrants.

For every ethnic group, without exception, incarceration rates are lowest for immigrants. And yes, this holds true for the Mexicans, the Salvadoreans, and the Guatemalans who make up most of the illegal population in the U.S.

Between 1994 and 2005, the illegal immigrant population in the U.S. is estimated to have doubled to around 12 million; yet, according to the Department of Justice, over that same period, the violent crime rate in the U.S. declined by a third; crimes against property declined by 26 percent. Crime rates have fallen in the cities with the largest immigrant populations — New York, Los Angeles, Miami, Chicago, and so forth, as well as in border cities experiencing the most illegal immigration, like San Diego and El Paso. The bottom line is that crime in the U.S. is not caused or even aggravated by immigrants, regardless of their legal status. But this perception that the opposite is true persists among policymakers, among the media, and among the general public. Keep this in mind the next time you hear Bill O'Reilly use some undocumented drunk driver to claim that we are in the midst of an illegal immigrant crime wave.

I continue to be amazed that immigration is such a controversial subject in America. I can understand the temptation of politicians to exploit the issue politically and feed people's fears and anxieties. They do that all the time with things like free trade and so forth. But I'm amazed that it works to the extent that it does with respect to immigration when so many Americans have a personal attachment to the issue.

To me it seems pretty self-evident that immigrants have benefitted the U.S. And I'm not just talking about software engineers from China or Indian neurosurgeons, and so forth. I'm also talking about the low-skilled immigrants who came from Eastern and Southern Europe in the 19th and early 20th centuries, and those coming from Latin America today. And, by the way, the rate of immigration from Europe in the 19th and early 20th centuries far exceeded the rate of immigration from Mexico today. Back then we had far more immigrant arrivals relative to the size of the population at the time.

In the 1990s, legal and illegal immigration from Mexico averaged an estimated 4.2 million, which works out to about 1.5 immigrants per 1,000 U.S. residents each year. By comparison, in the middle of the 19th century, the U.S. absorbed an average of 3.6 Irish immigrants per 1,000 residents. From 1840 to 1890, the rate of German immigration was greater in every decade than the current flow of Mexicans. And from 1901 to 1910, Russian, Italian, and Austro-Hungarian immigration each surpassed the current rate of Mexican immigration.

One goal of this book is to put today's data into some kind of historical perspective. Scapegoating foreigners for domestic problems, real or imagined, is something of an

American tradition, and I make the argument for why today's immigrants aren't different, they are just newer.

Any student of history knows that the complaints and criticisms lodged against Latinos were thrown at previous immigrant groups; but how easily some of us forget this past or attempt to rewrite it.

I'd like to spend the balance of my time talking about assimilation. Many social conservatives, in particular, question whether America is capable of assimilating the latest wave from Latin America and whether we are, in fact, doing so. I'm going to use the Irish experience as a historical comparison to today's Latinos. Because I think there a lot of similarities and also because, after doing the homework on this, I've come to believe that if America can assimilate the 19th century Irish, we can probably assimilate anybody.

Now, we've all heard the stories about "No Irish Need Apply" signs in store windows and the like. But I'd like to give you a slightly more vivid portrait of Irish immigration in the 1880s.

A French traveler in the 1830s returned from a trip that included America and Ireland and wrote the following.

I have seen the Indian in his forest and the Negro in his chains, and thought, as I contemplated their pitiable condition, that I saw the very extreme of human wretchedness. But I did not then know the condition of unfortunate Ireland.

This was not an exaggeration. Slaves in the U.S. had a longer life expectancy than the Irish peasants who emigrated here. Slaves also ate better and lived in cabins built with sturdier materials and better ventilation. Like other early immigrant groups, the Irish came over in the hold of cargo ships, which were built with little regard for the needs of passengers. There were no toilet facilities, for example. So filth, odor, and disease were common.

In 1847, about 20 percent of Irish immigrants fleeing the potato famine died en route to the U.S. or just after they arrived here. By comparison, the loss of slaves traveling on British vessels in the 19th century averaged about 9 percent. Why was the Irish death rate more than double that of slaves? Simple, it was economics. Those slaves were property; someone had a vested interest in keeping them alive. Nobody cared if the Irish immigrants died.

It's also worth noting that the Irish were coming from a country where more than 80 percent of the population was rural, yet they were settling in cities like New York, Boston, and Philadelphia. And they met resistance at the time from those who said America had no use for this unskilled labor. The argument was that we were in the middle of an industrial revolution. The future was factories, not farms, and the Irish would never assimilate to an urban capitalist society.

Of course, the naysayers were wrong. The Irish did assimilate. The U.S. did have a need for this unskilled labor. And this increase in workers did not go to waste, supply created its own demand. The Irish did jobs that were considered too lowly or dangerous for natives, even for slaves, who again were considered too valuable. They built roads, canals, and railroads. They worked in mines.

When Frederick Law Olmstead, the famous designer of New York City's Central Park, once inquired about the division of labor between slaves and Irish workers on a riverboat in Alabama, he was told, "The niggers are worth too much to do this work. If the paddies are knocked overboard or get their backs broke, nobody loses anything."

The phrase "jobs Americans won't do" has taken on a negative connotation today, as if it's an insult to Americans or the Protestant work ethic. This is nonsense. Throughout history, immigrants the world over have performed jobs that the natives spurned, whether it was Indians in South Africa, or Italians in Argentina, or Turks in Germany.

Not only did the Irish do jobs that were considered beneath Americans, they did jobs that were considered beneath American slaves. Irish women typically worked as domestic servants. What do I mean by typically? In 1855, 99 percent of all domestic servants in New York City were Irish women. As late as 1920, 80 percent of all Irish women working in America were domestic servants. That's a snapshot of where the Irish started.

Now let me give you a snapshot of where they ended up. The Irish did assimilate, of course, and then some. They produced writers, painters, and presidents. They produced doctors, lawyers, and school teachers. They produced civic leaders and businessmen, including Henry Ford, whose father fled the Irish potato famine and who would go on to revolutionize transportation in America.

According to the latest Census figure as of 2006, 31 percent of Irish Americans had at least a bachelor's degree versus just 27 percent of the nation as a whole. The median annual income for Irish Americans is \$54,000 versus \$48,000 for all households. Apparently, the children, grandchildren, and great-grandchildren of all those hard-working Irish immigrants who would never amount to anything turned out okay. And although the Irish experiences has been replicated by other large immigrant groups from Europe and Asia, this history is often ignored or played down when we discuss Mexican immigration today; the opposite should be the case.

The next time you hear someone say that Mexicans lack the skills to make it in our advanced economy, that they start off way too far down the socioeconomic ladder to ever make it here, that they will forever be stuck doing menial jobs that we don't need done anyway, please remember the Irish.

It is sometimes argued that Latinos hang on to their native Spanish and that this is proof that they aren't assimilated. We're told that past immigrant groups quickly adopted English and that the prevalence of Spanish-speaking Latinos today is a situation that America has never faced before. We're told that Hispanics cordon themselves off in barrios with their own stores and restaurants in an attempt to preserve their culture instead of adopting ours. Well, this argument is nothing new. And it's no more valid today than when Benjamin Franklin made it 250 years ago. Franklin complained that German immigrants, whom he called the most stupid of their nation, were too plentiful. In 1751, he wrote,

Why should Pennsylvania, founded by the English, become a colony of aliens who will shortly be so numerous as to Germanize us instead of us Anglifying them, and who will never adopt our language and customs.

Franklin was one of the most enlightened men of his day and yet on immigration he sounds like Lou Dobbs, Pat Buchanan, or some conspiracy theorist. And the reason is that he was living in a middle of a wave of German immigration and he lacked perspective.

In 18th century America, it was possible to travel from Pennsylvania to Georgia and speak only German. The Germans had preserved their language and culture in socially enclosed enclaves strung along hundreds of miles through the Cumberland Valley, the Shenandoah Valley, and the Carolinas. Historians report that even into the 19th century, German immigrants lived largely to themselves in German-speaking communities with

numerous German language newspapers and periodicals, and with their own special foods, drinks, social organizations, and the like. During the Civil War there were all-German units in the Union Army with commands being given in German.

Again, the point I'm making here is that today's immigrants from Latin America aren't really any different in terms of behavior patterns; they are just newer. America has been through all of this before. With each new wave, there is a fear that the country is being overwhelmed, that the latest immigrant group will change America more than America changes the immigrants.

Of course, the Germans clearly influenced our culture. They gave us kindergarten, and marching bands, and Christmas trees, among other things. And I'm sure some people here today have German ancestry. But I doubt that many of them speak fluent German.

Let me give one last example of an argument used to paint Latino immigrants as somehow *sui generis*. It is said that Latino immigrants are unique because of their proximity to their homeland; that many come here just to make money and then go back home; that many aren't interested in laying down roots and becoming Americans. By contrast, we're told that thousands of miles of ocean separated prior immigrant groups from their homeland. So, when they came, they came to stay and were committed to being American.

Well, that's not what the record shows. Italian immigrants started coming in substantial numbers in the late 1880s. Like the Irish, the vast majority were desperately poor, illiterate, and had no skills of seeming value in America's industrial economy. Italians were said to have an aversion to formal education. Italy had one of the highest illiteracy rates in Europe at that time and it was particularly high in southern Italy, which is where most Italian Americans trace their ancestry.

In New York, Italian labor helped build the subway system, but they were also employed as what were called "rag pickers" in the City dumps. Their job was to go through the City's garbage and find salvageable items. In 1910, Italian men earned less annually than either white or black men in America.

Italian immigrants in the U.S. also had a habit of returning home after a period. This was planned from the outset — travel abroad, make some money, and then go back home. If

you run out of money, travel abroad again. In the immigration literature, these temporary migrants are known as “sojourners,” and Italian sojourners popped up all over the world.

Between 1876 and 1976, around 26 million people left Italy and headed west to Western Europe and the Americas. Around 8.5 million of them, or around a third, eventually returned home. Altogether, about 5 million Italians immigrated to the U.S. between 1876 and 1930. Of these, 2 million eventually returned home. An estimated 63 percent of Italians who came between 1902 and 1923 returned to Italy.

And Italians weren't the only sojourners; 46 percent of Hungarians went back. So did 36 percent of Albanians, 48 percent of the French, and 46 percent of the Greeks. There's a whole book about this written by a man named Mark Wyman. It's titled *Round Trip to America: The Immigrants Return to Europe*. Something like one-third of European newcomers returned home in the period leading up to World War I. Why is none of this ever discussed when people complain about Latino immigrants who want to work here for a period and then go back home? You'd think no one had ever done this before.

And by the way, there may not be an ocean between the U.S. and Latin America, but many Latino immigrants are, in fact, traveling thousands of miles to reach their U.S. destinations. We know their migration patterns thanks to the remittances they send back home when they are here, and they don't come from just across the border, which is a relatively unpopulated region.

The Latino immigrants you find in Omaha, Chicago, and Seattle, for example, typically hail from the rural Mexican state of Michoacan, which is just east of Mexico City, the capital. Michoacan is more than 1,500 miles from Chicago and some 2,000 miles from Seattle. Mexican immigrants in the Boston area tend to come from the Mexican state of Jalisco, which is a little further north, and those in New York are from Puebla, a state that is just south of the capital, and more than 2,000 miles away. Let's just say that these immigrants aren't popping back home for weekend visits.

My purpose in bringing up these historical comparisons is not to argue over who had the worst experience. The point is to show that the arguments against Mexican immigration today are old hat. Mexicans aren't facing anything new and history tells us that the obstacles they do face are not insurmountable.

Let me wrap up by talking about the traditional indicators of American assimilation. These include English use, poverty rates, education, and home ownership, and the worry is that Hispanic immigrants are lagging in these measures. Now to the extent that's true, it fits the historical pattern set by other low-skilled immigrants from Europe and Asia. The issue is whether the Latino lag of acculturation and socioeconomic progress just seems worse than it really is because of the volume of Mexican immigration in recent decades.

Immigration from all of Latin America totaled 3 million between 1981 and 1990. Immigration from Mexico alone totaled 4 million in the 1990s. Those kinds of numbers can and do produce the illusion of nonadvancement, and that is why it is important to remember, when people start tossing around averages, that Latino immigration is ongoing. The public is fed a lot of snapshot data on English language skills and high school dropout rates, for example, but they are of little use in measuring assimilation. Assimilation is a function of time spent in the country.

What we really want to know is how immigrants are faring over time, and only longitudinal studies can provide that information. In fact, just looking at averages can give you a very distorted view of assimilation. Averaging in huge numbers of new arrivals with people who have been here for decades can obscure the progress made by the people already here.

A sociologist at the University of Southern California has expanded on this point. He calls it the "Peter Pan Fallacy." Consciously or not, he says, we tend to embrace the misconception that immigrants never change and retain all the characteristics that they possessed on arrival. He says many of us assume, unwittingly, that immigrants are like Peter Pan, forever frozen in their status as newcomers, never aging, never advancing, and never assimilating.

In this naïve view, he says, "the mounting numbers of foreign-born residents imply that our nation is becoming dominated by growing numbers of people who perpetually resemble newcomers." But the evidence suggests that real progress is being made by Latinos. Progress is slower in some areas, such as the education level of the adult immigrants, and faster in other areas, such as income and homeownership rates. But there is no doubt that assimilation and upper mobility are occurring over time.

And I just want to be clear on this point, because it's a very important one, I think, and it's one I come across a lot. Averages don't tell you anything about assimilation. Again, we

want to know how someone is doing based on how long they have been here. We want to know whether the guy living here 30 years speaks English better than someone who has been here five.

But an average of English language skills among the Hispanic population doesn't tell you that, because it's averaging in 500,000 people who got here last year with the guy who has been here 30 years, and then giving you a figure. You need to track the same people, the same individuals and families over time to find out if people are assimilating. And that's why you should be very wary of averages when it comes to measuring assimilation.

And this is certainly true with respect to linguistic assimilation, which is one of the most important measures, because it amounts to a job skill that can increase earnings for these folks. The historical pattern with other groups is that the first generation learns enough English to get by, but prefers the mother tongue. The children of immigrants born in the U.S. grow up in a home where they learn, to some extent, the mother tongue. They understand it, they might speak it, but they prefer English. And when they grow up they establish homes where English is the dominant language.

According to the 2005 Census data, just one-third of immigrants who are in the country for less than a decade speak English well. But that number climbs to around 75 percent for those here 30 years or more. And there may be more bilingualism today among the children of immigrants, but there is no indication that Spanish is the dominant language in the second generation.

Studies show that 91 percent of the children and 97 percent of the grandchildren of Mexican immigrants speak English well. Nor is there any indication that immigrant parents want their children speaking Spanish. A 2002 survey found that 89 percent of Latinos believe that immigrants need to learn to speak English to succeed in the United States.

I'll close with just a few words about the uniqueness and the success of the American assimilation model. I open the book with a quote from Ronald Reagan and it's from a speech he gave in China in 1984 and he said the following:

America is really many Americas. We call ourselves a nation of immigrants and that's what we truly are. We are drawing people from every corner of the Earth and we're composed of virtually every race and religion, and not in small num-

bers, but large. We have a statue in the New York harbor that speaks of this; the statue of a woman holding a torch of welcome to those who enter our country to become Americans.

She has greeted millions upon millions of immigrants to our country. She welcomes them still. She represents our open door. All of the immigrants who came to us brought their own music, literature, customs, and ideas. And the marvelous thing, the thing of which we're proud, is that they did not have to relinquish these things in order to fit in; in fact, what they brought to America became American and this diversity is more than a richness, it has literally shaped us.

I think Reagan articulated the uniqueness of the U.S. assimilation model. In America, assimilation is less about immigrants adopting our culture than about immigrants adopting our values. And America has been uniquely successful in this regard, particularly in contrast to Europe.

The British approach has been to encourage a sort of permanent heterogeneous status to newcomers with an emphasis on tolerance and respect with no real expectation that immigrants melt in.

On the continent, Western European countries like Germany, Italy, and Spain make no pretenses; they are truly ethnic societies where any divergence stands out. Any Turk living in Germany today will tell you that you are either German or you are not. Just like you are either Polish or not, Czech or not, Italian or not, even in Scandinavia where political correctness is even more strenuous than in Germany due to its history, you are either Swedish or you are not. France, at least, gives some lip service to the notion of accepting all newcomers as French. It even has a national slogan that stresses ideals over ethnicity, but today that is mostly an elite conception at best.

In practice, the model is at odds with deep-seated cultural and ethnic habits, as demonstrated most recently by the Muslim riots back in 2005. The key to the success of the U.S. assimilation model is that we put more stress on our shared values, rather than our shared culture. Immigrants find our values and ideals as attractive as our economic opportunities.

Yes, they come here to get rich, but it's more than that. It's also our value framework with its emphasis on individual initiative and individual opportunity. Foreigners like the

fact that you can make more money here because you are hard-working, and diligent, and clever. Immigrants are also attracted to our civic institutions. We are the land of liberty and democracy. Here you can say what you want, be what you want, do what you want. These are attractive values and, again, we are much more concerned about shared values than shared cultural artifacts.

If American culture is under assault today, it's not from too many immigrants who are not assimilating, but from modern elites who reject the concept of assimilation. For multiculturalists, particularly those in the academy, assimilation is a dirty word that elicits not just indifference, but outright hostility. Some don't want to judge one culture as superior or inferior to another. They espouse the kind of values mutual in each system. Yet some societies believe in genital mutilation, or keeping women uneducated, or covered in a burkha. Who are we to judge?

Other multicultural advocates reject the assimilation paradigm outright on the grounds that this country hasn't always lived up to its stated ideals. America slaughtered Indians and enslaved Blacks goes this argument, and this wicked history means that we have no right to impose our value system on others.

But social conservatives who want to seal the border in response to these liberal elites are directing their wrath at the wrong people, in my opinion. The problem isn't the immigrants, it's the multiculturalists who want to turn America into a loose federation of ethnic groups.

Conservatives are right to complain about bilingual education advocacy, anti-American Chicano studies professors, Spanish-language ballots, ethnically gerrymandered voting districts, and the like. But these problems weren't created by the women changing linen at your hotel or by the men building homes in your neighborhood. I say keep the immigrants. Deport the Columbia faculty.

And for all the loud talk of late, the American public seems not to have lost confidence in the melting pot. If it had, you would know it. There would be "English Only" signs everywhere, a militarized border zone. There would be ubiquitous police checkpoints and far right political parties, like France's National Front.

Of course, there's some bigotry and stupidity out there, which we'll always have, but when people really can't live another day with other kinds of people, they don't send emails to "The O'Reilly Factor," they engage in ethnic cleansing. You get the Serbs and the Croats in the Balkans. You get the Hindus and the Muslims in India. You get the Hutus and the Tutsis in Rwanda.

What we have in America is periodic grumpiness about the most recent arrivals, a vague and ambivalent disdain that doesn't settle too deeply into the American psyche. Americans still believe that our assimilation model is working, even if our politicians and the media elites sometimes try to make us think otherwise. I'll stop there.

Robert Ward:

Thank you very much, Jason, for the provocative discussion. One of the central parts of the Rockefeller Institute's mission is to bring together the rich resources of the State University of New York to bear on public policy issues. So when we looked for a couple of real experts to come and join with Jason today, we didn't have to look very far.

Our next speaker, Pedro Caban, is the vice provost for diversity and educational equity at the State University of New York and professor of Latin American, Caribbean, and U.S./Latino studies at the University at Albany. Pedro came to SUNY in 2007 from the University of Illinois, where he was a professor of African-American studies and communications research. He's also held tenured positions at Fordham and Rutgers.

He's the author of numerous works on the political economy of Puerto Rico, Latinos in the United States, and political and intellectual development of race and ethnic studies. Please join me in welcoming Pedro Caban.

Pedro Caban:

Thank you, Bob, for the introduction and I thank the Rockefeller Institute for inviting me to this very important forum. I also want to thank my colleague, Jim Ketterer, for recommending me as a speaker.

First of all, I need to say that I'm not a fan of Lou Dobbs either, but I might be accused of being the political elite; we'll see.

This is an extremely important book. It's a persuasive and compelling argument for immigration reform. The book lays out in clear language the most intriguing popular attack to date against neoconservatives, negativists, and xenophobes whose sustained diatribes against undocumented workers from Mexico are far too prevalent for the well being of this country.

Jason currently engages and challenges anti-immigrant propaganda in developing a historically grounded and amply documented counternarrative to the restrictionist's rant against undocumented foreign workers. Hopefully, this important book will have a major impact on how the presidential candidates tackle the issue of immigration reform.

Given Jason's conservative point of view, many are surprised that he produced such a devastating critique of a policy posture embraced by sectors of the conservative movement; however, I think there is no contradiction. Jason's intrepid belief in the capacity of the free market to serve as a great equalizer and to sustain U.S. economic greatness is well known. There is, though, a great distinction between the conservatism of William F. Buckley and the right-wing, reactionary populism of Ann Coulter. Jason's contribution squarely fits within great tradition of American conservatism.

Policymakers are aware that immigration reform will strengthen the link between free markets and free movement of capital, and commodities, and this unfettered movement will promote economic growth.

Jason is attempting to affect the national debate. He has decided to take on the Herculean task of confronting right-wing, anti-immigrant demagogues. He eviscerates the reactionist's brutal message, which *The New York Times* described in a recent editorial on "The Great Immigration Panic." The restrictionist message is brutally simple:

Illegal immigrants deserve no rights, mercy or hope. It refuses to recognize that illegality is not an identity; it is a status that can be mended by making reparations and resuming a lawful life. Unless the nation contains its enforcement compulsion, illegal immigrants will remain forever Them and never Us, subject to whatever abusive regimes the powers of the moment may devise.

I'd like to make some quick observations on three economic elements of Jason's analysis, these are labor markets, international trade, and the free market. A key element of the

argument is that flexible markets promote economic growth because more capital is put into circulation.

Restrictive immigration policies impede development of free labor that is a prerequisite for economic activity. As we know, undocumented immigrants already participate in the economy. Arrests, incarceration, and deportation have had a negligible effect on the ability and availability of a vulnerable and readily exploitable labor force. In many cases, they earn wages below the minimum.

A compelling argument for liberalizing immigration policy and adapting generous amnesty provisions is that the workers' salaries increase once they are legal, and they can increase their consumption and, thus, spur more investment and production. In short, immigration reform is a first step toward sustaining economic activity. More equitable and fair labor practices is a second step.

Jason makes a strong case that immigrant labor contributes to productivity and growth; however, it does not follow that increased productivity and gross domestic product (GDP) translates to increased wages for labor, and more equitable distribution of income. For productivity gains to generate increased economic activity, owners of capital need to reinvest profits to expand production, but workers also have to realize some of the gains of their increased productivity through wage increases, thus expanding consumption and economic activity.

Since 2001, the United States has experienced an economic expansion with wage stagnation. Not since World War I has the United States experienced the current level of income and wealth inequality. One could argue that a more equitable distribution of income, for example, increased minimum wages for jobs currently performed by undocumented immigrant labor who are receiving substandard wages, could attract native labor to some of these jobs.

Now, I quickly turn to the North American Free Trade Agreement (NAFTA). Surprisingly, Jason's book does not focus on international economic factors and globalization. While he correctly observes that, fundamentally, immigration to the United States is a function of labor shortage for certain kinds of jobs, recent studies also demonstrate that differential wages across international labor markets precipitate migration. The authors of a 2007 report by the Council of Economic Advisors measured the average wages for Mexican-born

workers who had migrated to the United States and compared these to the wages of similar workers who are still working in Mexico.

The wages, adjusted for international differences in prices, range from about 2:1 to 6:1, in favor of the U.S.-based workers, depending on the age and education gap. This wage gap provides substantial economic incentives for Mexican workers to migrate to the United States.

NAFTA aimed at equalizing laborers across borders, what economists call factor present equalization. It provided for unrestricted capital mobility across international borders; but restricted liberal movement of labor.

In 1993, President Clinton anticipated that NAFTA would lead not only to free mobility of capital, but to this wage equalization across the borders. He noted that NAFTA would result in an even more rapid closing of the gap between wage rates of Mexico and the United States. And, as the benefit to economic growth is spread to Mexico to working people, they will have more income to buy more American products and there will be less illegal immigration, because more Mexicans will be able to support their children by staying home.

This observation is consistent with Jason's regarding interference with the labor movement and its impact on economic activity. We know that Clinton's position never materialized, but adopting restrictive immigration policies in the United States introduced market distortions that undermined one of the main objectives of NAFTA: to regulate the flow of labor across international borders.

Now, I raise the issue of NAFTA and international trade because it bears directly on the question of growth of labor markets fueled by international migration and the need to emphasize that immigration is an economic outcome related to demand pull for the supply push factors conditions in sending and receiving countries. Favorable economic conditions in Mexico then significantly reduce immigration.

As an aside, I think it's instructive to note that the vast majority of Mexican undocumented labor is working at activities that do not produce value for export. Their net contribution really is in domestically oriented industries and many of the service sectors, and also industries that are suffering the consequence of the recession.

Finally, on the economic side, I turn to what I call the free-market faithful. Some economists indeed have blind faith that the free market is a magic force that will resolve all problems, and believe that ultimately unrestricted operation of market forces will result in distributive justice.

Given the crisis that the United States economy is facing, in part because of the absence of regulation of the financial industry's highly speculative mortgage-backed investments being only the latest episode of these kinds of crises, going all the way back to the 1890s and before, policymakers might be tempted to drink less frequently from the magic elixir of the free market.

Since 2001, a period that corresponds to the emergence of a hot real estate market, which is tied to predatory subprime lending, a period of economic expansion, poverty has increased. This period of economic expansion is also a period of wage stagnation and increased poverty.

In August 2007, the Center on Budget and Policy Priorities reported that poverty remains high and median income for working-age households were lower than in 2001. This is the latest evidence that during the current economic recovery the recession is uneven and an unusually small share of the gains has reached low- and middle-income families.

Now, free markets have proven to be efficient mechanisms in the allocation of resources and productive activity; however, in the highly competitive capitalist environments of today, they also tend to oligopolies that impede free-market operations and often have generally adverse social consequences.

It is reasonable to argue then that in a contemporary situation, the government's role is to judiciously intervene to introduce rationality to unregulated markets based in increasingly speculative investments that carry high social costs.

I very much appreciate Jason's discussion of assimilation. I actually have written somewhat on this general subject. In 1917 the United States Congress enacted an Americanization Bill in part because the U.S. War Department, in preparing troops for de-embarkation throughout for Europe, realized that a pretty large percentage, almost a third of the troops, did not speak English and there were fundamental problems of how to issue commands to non-English speaking troops in the field. And they were also concerned that

because these individuals maintained their linguistic heritage, that once in Europe they might choose to join the other side.

So, concern about not adopting American values has been a major policy issue. I do appreciate Jason reminding us that fear and loathing of the foreigner is as American as the great Benjamin Franklin. That's a good touch.



In an article I wrote on the origins of a 1920 Americanization study, I observed, and I quote, “The assimilation of the Spanish-speaking peoples from Mexico was one of the most momentous problems confronting the great Southwest. Through aggressive Americanization, the distinctive cultural identity of the immigrants and their patriotic ties to their countries of origin would be eradicated. The purpose of Americanization was to unify culturally diverse people by obliterating ethnic differences and identities and forcing the immigrants to rapidly divest themselves of values that were portrayed as antiquated and anti-democratic. The acquisition of the English language, familiarity with U.S. political beliefs and institutions, and manual training for a rapidly expanding industrial economy were seen at the core of the Americanization process.”

That was 80 years ago. Has the situation changed recently?

I concur with the ability of our society to assimilate and incorporate those who are different. And I think that Jason is right on the money that assimilation should be seen as acceptance of prevailing values and norms that facilitate social and economic interaction, that instill a sense of national identity based on the expectation of fair and equitable treatment for honest work. This is a concept, I think, that immigrants readily grasp.

I also think that Latinos are redefining the terms of assimilation; thus, while I do agree regarding the eventual assimilation of Latinos into the body politic of the United States, I think the particular terms of inclusion could be redefined in areas that legitimize and protect cultural distinctiveness — something that Jason pointed out — while at the same time embracing a set of political and economic norms that make our society distinctive.

When someone talks about assimilation and it comes to the African-American experience, the question is: Are Blacks in the United States assimilated? Unemployment rates, poverty, levels of educational attainment, health conditions, and rates of incarceration are measures for assimilation, as well. Using these measures, unacceptably large numbers of Blacks and Latinos are marginal and not assimilated into the dominant culture. Assimilation should be perceived as a two-way street. It is appropriate to adopt certain values, but with the expectation of certain kinds of treatment, if you will, within a society.

The current popular debate on illegal immigration hasn't always been redefined to mean Mexicans, who are portrayed as illegal aliens, individuals without any identity except for their illegality. As an aside, I think that Jason's made a remarkably important proposition in talking about the distinction between civil law and criminal law and how that relates to the so-called illegal status of undocumented workers. This is a significant point that many have chosen to overlook.

The argument that purportedly inferior foreign peoples pose a threat to the character of the United States has always been intriguing for me, given that those who advance the argument also held the United States as the most powerful nation in the world, steeped in civic democratic values and the envy of the entire globe. Yet, if this is a reality, then foreigners should pose no threat to the United States, but should be embraced as new Americans who will contribute to the continued greater society.

I can't help but mention that it is striking to note that the Spanish arrived in the Americas long before the arrival of the Pilgrims. Carlos Fuentes, a great Mexican writer of international fame, referred to the Pilgrims as the first illegal aliens in the United States.

I had a whole section here quoting Jason regarding the conservatives who like to complain about bilingual education and Columbia University. I have been a professor of Latino studies and African-American studies for many years. I don't agree with the view that he has about Chicano studies. You know, I don't believe that anti-American Chicano studies professors are prowling the halls of academia looking for students to indoctrinate.

And, according to Jason, the problems weren't created by women changing linen in your hotel rooms — he called for deporting the Columbia faculty. Well, it appears that Jason sardonically relates Columbia University faculty to these problems and calls for their deportation. I must express some mild resentment with the advice for the calls for deporting

the professors of Columbia University for, if they had been removed, I would never have received a Ph.D. from that fine institution. This university provided me, the son of a Latin worker, who brought his family to the mainland to escape the poverty of Puerto Rico, with a stellar education. Moreover, why pick on Columbia and not Yale or Harvard?

In another passing note, Jason observes the tragedy of America's public school system is that it is geared more for appeasing unions than educating kids, a very provocative statement and his intention is to stimulate conversation, I'm sure. But that said, I don't think I'm wrong in saying that the problem of public education is much more complicated. I mean, it has something to do with the No Child Left Behind Act of 2001, this obsession in establishing standards of accountability, rather than in improving pedagogy for the 21st century; thus, periodic anti-intellectual barbs and occasional *ad hominem* jabs in an otherwise very serious discussion may distract a reader from Jason's important message.

Despite these minor criticisms, Jason authored a very important book, a book that needed to be written. His impeccable credentials serve to enhance the credibility of an argument that is well-documented and persuasively developed.

The New York Times faults the presidential candidates for failing to confront the issue of immigration reform. To quote, "They have been vague and discreet when they should be forceful and unflinching." *Let Them In* might just be the stimulus that McCain and Obama require to address the critical issue that threatens to throw fundamental American values of fairness, equity, and opportunity out the window and impedes continued economic growth.

Robert Ward:

Thank you very much, Pedro. We will now hear from Irene Lurie, and then I think we'll have a few minutes for some further discussion among our speakers and a question or two from the audience.

Irene Lurie, as I mentioned, is a professor in the Department of Public Administration and Policy at the University at Albany and a research associate here at the Rockefeller Institute. She is an economist who has studied welfare programs at the federal, state, and local levels, some of her work in collaboration with Tom Gais and Dick Nathan, the co-directors of the Institute.

She was co-director of a 10-state study of the implementation of the Family Support Act of 1988, and is author of a book that the Rockefeller Institute Press was very proud to publish a couple of years ago, *At the Front Lines of the Welfare System: A Perspective on the Decline in Welfare Caseloads*. Thank you, Irene, for joining us.

Irene Lurie:

I think that Jason makes a very eloquent case for a sensible guest worker program, and I certainly hope our presidential candidates will pay some attention to that.

I just returned Saturday night from three weeks in Mexico. My husband and I went to Mexico to study Spanish and learn more about another culture. Being there for three weeks, I saw the inequality of income in Mexico, one of the most unequal distributions in the world. Although there are many wealthy and middle-class people there, the level of poverty among some people is truly incredible.

I heard about people who survive on five liters of water a day. That five liters is all the water they have for drinking, cooking, bathing, and washing their clothes and other possessions. I mean, that is for everything, five liters. And some of these low-income people are spending 20 percent of their income on water. So when you learn that, you appreciate the desperation that is driving Mexicans to the United States.

As Bob pointed out, I've studied welfare for most of my career. Immigration is a new area for me and I'm now in learning mode, trying to understand this very complex issue. But I do see parallels between the issue of welfare and the issue of immigration. Certainly, the level of education among welfare recipients tends to be low. The level of education among many immigrants, not all, tends to be low. Many immigrants work for very low wages, and many welfare mothers are now working for very low wages.

In the United States, there is dissatisfaction with the behavior of both groups: high rates of child-bearing and low rates of marriage. In the case of immigrants, they are also being criticized for failure to assimilate. As I look back over the past three or four decades, I see that the newspapers used to be filled with stories about how welfare recipients weren't working and were taking advantage of the welfare system. And now that the 1996 welfare reform has pushed welfare mothers into the labor force, you don't see articles about welfare anymore. Now, we're seeing articles in the paper about illegal immigrants.



So, I have to think there's been a change in who we are scapegoating. We've moved from welfare mothers to illegal immigrants as objects on which to focus or channel our frustrations. But there are big differences between welfare and immigration. Welfare recipients are criticized because the public thinks they don't want to work. Illegal immigrants are criticized because they do want to work. And they are willing to work at low wages.

Another important difference, and one that I'm trying to understand, is the role of the states. The Rockefeller Institute, of course, focuses on states. States have a clear role in welfare policy. There are federal guidelines and federal money, but the states have primary responsibility for welfare policy and administration.

In the case of immigration policy, there is no formal role for the states. As a result, the states are engaged in many haphazard and very different kinds of policies. Some states are going after illegal immigrants, pursuing employers who hire them; whereas other states, New York being one of them, have courted immigrants to come to some cities that are in decline. New York City is seen as a safe haven for immigrants.

So now I'm trying to understand what the states are doing. Are the states acting in a way that is productive? And how might states work to ease the tensions and the problems that the nation is confronting at this moment? So I'm leaving this as a question that we can address during the discussion period. Thank you.

Robert Ward:

Thank you very much, Irene. We could easily take an hour or the rest of the afternoon to talk further about many of these issues. Let me first, Jason, offer you an opportunity to comment on what you've heard from Pedro and Irene and ask whether this provides any further thoughts for you?

Jason L. Riley:

Well, the welfare issue in Irene's comments is one I do address in the book. And when discussing welfare and immigrants, I would keep a couple of points in mind, and I address them in the book, because one of the arguments is a fear that immigrants come to the U.S. to go on the dole. It's not supported by the facts. It's actually quite similar to crime when you look at it. The illegal immigrant population of the U.S. more than doubled between 1994 and 2005. Over that period, welfare rolls fell by 60 percent.

Illegal immigrants don't qualify for means-tested federal welfare benefits. They do get emergency care, but even in that case may be reluctant to use it for fear of their status being exposed. Among the immigrants who do qualify for welfare benefits at the state and local level, they use them at lower rates than the low-income native born.

We also know that they don't come here to go on welfare, because of the labor force participation rates, which are extremely high. The fastest growing states in terms of immigrant populations from Latin America are states like Arkansas, North Carolina, Tennessee, and Iowa. These are not states known for generous welfare benefit programs. If they were coming to go on welfare, you'd see them in New York and California, where immigrant population-growth rates are declining, even if they still serve as gateway states for immigrants. I mean, for all the complaints we hear about, from people in Arizona — and if you live in Arizona or have been to Arizona, you know that these are legitimate complaints — in terms of the quality of life issue, and I talk about that in the book.

But the national unemployment rate right now is, I believe, 5.1 percent. It's spiked recently, but it still is well below the postwar average unemployment in this country. There is still a pretty tight labor market out there, relatively speaking; but the unemployment rate in Arizona is well below the national average; it's like 3.9 percent. So for all their complaints about illegal immigrants and the consequences or the up-front costs there, these folks are obviously helping to stimulate Arizona's economy. I mean, I don't know a state in the nation that wouldn't trade their unemployment rate for Arizona's right now.

There are related up-front costs, particularly to health care and education. In the book, I argue that there should be more revenue sharing to help these states. The feds come out ahead because illegal immigrants pay into federal programs, like Social Security and

Medicare, and will never receive benefits from these programs because of their status. Uncle Sam comes out way ahead with these individuals.

And, as I argue in the book, they should share some of that excess with the states, particularly border states that are bearing up-front costs. I think that would be one way to address that issue. I also argue though that the states often exaggerate the up-front costs. The title of the chapter on welfare in the book is “The Measure of Emanuel.” Some people want to measure a person’s worth by what they pay in taxes versus what they receive in public benefits. If it doesn’t come out even, they are not paying their way.

Well, before you throw that metric at immigrants, you should know that 67 percent of Americans receive more public benefits than they pay in taxes, thanks to our steeply graduated income tax rates in this country. So it’s a very narrow way of measuring a person’s worth. And what it also doesn’t factor in is that these folks, these economic migrants, have purchasing power. They are creating economic activity. I mean, they are buying things; they are consumers. They buy clothes and cars, and get their hair and nails done. They’re creating economic activity, which leads to economic growth, which leads to business expansion, which leads to more jobs. All that doesn’t get taken into account when trying to assess what they receive in public benefits versus what they are paying in taxes. So I would just be careful about that.

As far as the other comments, I am a free-market advocate. I admit that. And the free marketers do not argue that the market can solve all of our problems. That’s not the argument. The free market argument is that the market will do a better job of addressing these problems than will politicians and regulators. That is the argument. Economics is about trade-offs. It’s about measuring the costs and the benefits of an alternative course of action. I’m not arguing that America cannot survive without access to foreign labor. We’re a big, strong country. We’d get by, just like we do when our politicians impose tariffs on steel, sugar, and what have you. Prices adjust. Maybe the wages of some of these jobs will rise to a level where an American will do them. Maybe we’ll get by without the job. That’s not the point.

I don’t want just to survive. I want our country to prosper, and I believe we’d be better off with free and flexible labor markets with access to foreign labor than we would be otherwise. If Honda and Toyota didn’t have to compete with Ford and GM, workers at Ford and

GM would probably make more money, but cars would be more expensive and fewer people could afford them. This is about trade-offs.

Robert Ward:

Very good, thank you. Pedro, you raise the issue, and Jason's book does as well, about assimilation. Pedro, you referred to the Americanization Act. I wasn't sure whether you were just referring to that as an historical artifact, or whether you think that sort of idea has relevance today?

Pedro Caban:

I think that Jason's argument makes clear that argument is still apparent, just in different guises.

Robert Ward:

So, what do we do about that?

Pedro Caban:

Well, this is one area where I would agree with Jason that the free market works; that is, to allow groups to freely express their distinctive cultural characteristics, to use their language. The truth, though, is that in order to make it economically in this society, one has to adopt certain values — that makes America what it is, particularly language; understanding basic principles of how this political system works; realizing that this is, indeed, a multicultural society with diversity in cultures and cultural preferences.

Efforts in the past to impose and officially define the notion of what constitutes a national identity have failed. The Americanization Act itself was an exclusive failure in a sense. But, allowing groups to express themselves culturally as they have throughout the history of this country, will, in itself led to their assimilation.

So, my advice is don't force people to be Americans. They will become Americans. And I think that message is consistent with what Jason is saying.

Jason L. Riley:

I would agree with that, this whole notion of English language laws, I don't see a need for them. Like I said, English language skills are a job skill that increases wages. So there's an incentive to learn English. So again, I'm a little reluctant to go that route. I still don't think we need bilingual ballots, though.

Robert Ward:

Irene, do you want to comment on that?

Irene Lurie:

When I was studying Spanish at the Albany campus last year, the class was filled with undergraduates who came from Hispanic families but did not know Spanish. They needed to take the course to fulfill the university's foreign language requirement. Kids want to learn English, at least the ones who come to SUNY, not a random sample. I think kids want to participate in the dominant culture and that after a generation or two the whole problem is just going to disappear.

Robert Ward:

And this notion of Americanization laws, there's a New York State law that requires every public school in the state to teach patriotism, something along these lines. I don't think it talks about Americanization but something in that direction at least.

We have a few more moments if anyone from the audience would like to raise a question?

James Ketterer:

Yes, Jason, you spoke about the homeland security component of this, and focused on better use of border patrol and other kinds of resources like that, which I agree with. I think there's another homeland security element to it, which has less to do with whether someone is here legally or illegally, but more to do with the way in which assimilation happens or doesn't happen in this country. And I think you were very good in using Europe as a

counterexample, because Marc Sageman, who is both a psychiatrist by training and an intelligence analyst by experience, has done a very interesting study on Al Qaeda terrorists and found that, more often than not, it was their stay in Europe that radicalized them. They came to Europe not being particularly religious, not being desperately poor, and that experience, the inability to find any in-road into those closed cultures, had an effect that doesn't happen in the U.S. My concern with the kind of Lou Dobb's talk about illegality, and otherwise, is that it will somehow undermine the process that we have that works here.

Jason L. Riley:

That's an excellent point; in fact, I interviewed the nation's two Homeland Security chiefs, the first one was Tom Ridge, former governor of Pennsylvania, and the current Homeland Security head, Michael Chertoff, at length in the book. They gave me some great stuff both on and off the record about their concerns. And it's interesting. When you talk to people who spend all day thinking about homeland security, immigration from Mexico is the last thing on their minds. They have some concern about these human smuggling networks because the smugglers don't care who they are smuggling; but the real fear is that all these economic migrants are sort of running interference for the bad guys right now. And they want to shrink the haystack so that they can focus on the bad guys.

Right now, they have to chase down short-order cooks and gardeners. And it's easier for a drug dealer, a gang member, or potential terrorist to hide in the mix. They want to clear out that mix by giving people more legal ways to come, because the drug dealer or the gang member has to sneak in, no matter how many legal channels there are. And they want to be able to focus on that guy. Right now, he is able to hide among all the masses of economic migrants sneaking in.

But you're also right about the difference in Europe and the U.S., which leads to another point, which is that to the extent that you are worried about terrorist cells forming in the U.S. or in North America, I should say that Canada is a much more worrisome problem. And I didn't speak about Canada's assimilation problems in the speech, but they have them. And to some extent, they are similar to Britain's model.

You're right. It is, in fact, one of the things that's frustrating about listening to Laura Ingraham or Michelle Malkin, or pick your anti-immigrant demagogue, who go after Muslims in the U.S. or Arabs in the U.S., and group them all in as somehow culpable when it

comes to the acts of Al Qaeda, terrorists acting in the name of the same religion, is that you don't want to radicalize that group in the U.S. They are our best friends when it comes to fighting terrorists because even the radicals can't hide among them. I mean, that's why they would rather hang out in Canada, where they can mix in with a more radical element than exists in the U.S.

We have done a tremendous job of assimilating everybody, including Muslims, in this country. And they, in turn, have acted as something of a bulwark against radical Islam in this country. The radicals just don't feel at home hiding among their brethren in, say, Detroit, which has the highest Arab population in the U.S. So it's an excellent point.

Larry Frank:

Well, first of all, Canadians have trouble assimilating with each other.

Jason L. Riley:

It's that French and English stuff....

Larry Frank:

You mentioned before about free market and spoke a little bit about regulators. And I'm wondering if you would also include among regulators folks who would regulate wages? And to what extent do you think we would need a little stricter enforcement of living wages and legal wages? I won't even talk about minimum wages.

Jason L. Riley:

Well, I would, as Bob knows. I'm not a huge fan of minimum wages to begin with because I think they have unintended consequences that particularly hurt minorities, Blacks in particular. There are prevailing wages, with origins in the 1920s and 1930s, specifically put in place, though I may be mistaken, as a response to southern Blacks moving north into cities like Detroit and Chicago. Congress passed these laws to keep these Black contractors from bidding on federal contracts. These laws that exist today and are defended by members of the Congressional Black Caucus have ugly origins in racial politics in this country. It drives me crazy that you have Black liberals who defend these things.

But the minimum wage laws do no one any good. Most people who are poor already make more than the minimum wage and most people who make minimum wage are not poor. Yet minimum wage laws are constantly put forward as a way to alleviate poverty in America. And all they do is keep inexperienced and less skilled workers out of the workforce. People who would otherwise be hired at what an employer will pay are not hired at all. They are unemployed, instead of being hired at a lower wage than the law requires, so this sort of artificial wage floor is not something I would support to begin with.

Pedro Caban:

I can respond to that, since we are drawing historical examples. Puerto Rico underwent a very rapid industrialization process, post World War II, for a number of reasons. And one critical incentive that Puerto Rico had was a comparative advantage over labor costs relative to different industrial sites in the United States. And it was exempted from the federal minimum wage act.

For the longest time, unions in Puerto Rico were advocating for application of that law. Big corporations, the vast majority owned by U.S. investors, resisted adamantly, claiming that unemployment rates would skyrocket in Puerto Rico, already about 15 or 16 percent at the time.

What happened? Minimum wage was applied to Puerto Rico. Certain low-wage industries did migrate out, but the government adopted a series of other incentives that led to significant investments from high-tech capital industries, which brought high-technology industries into Puerto Rico, leading to an increase in wages.

So I don't buy the argument that, by definition, living wages or minimum wages will impede economic growth and advancement. Henry Ford knew this. He raised the wages of the workers so they would become consumers. He wasn't an advocate, obviously, for wage controls, but he realized that he could pay workers what Marxists called, "socially productive labor costs," what they minimally need to survive, or he could pay workers more than that, so they could be consumers and buy the very products that they were manufacturing. So I think the jury is out. They are two different perspectives.

Robert Ward:

Irene, would you like to chime in on this question?

Irene Lurie:

I was an economist in my previous life, but it's very hard for me to deal with this minimum wage issue. I mean, I can see both sides.

Jason L. Riley:

I would say something about Puerto Rico. One of the arguments that people make when I say that the free market can decide the level of immigration in this country is that if we let supply and demand decide how many immigrants can come, Mexico will empty out; they will all come, because our standard of living is so much higher here. We can't have that; therefore, we can't let the market make this determination.

Well, Puerto Rico provides an excellent response to that argument. Back in the 1940s and 1950s, it looked like Puerto Rico was going to empty out into New York City. Puerto Ricans were already U.S. citizens; flights from San Juan to New York were cheap and quick, and they were coming in large numbers. Somewhere around 1961, however, the net migration from Puerto Rico petered out to zero, where it has remained ever since. Why hasn't Puerto Rico emptied out?

Well, somewhere around 1961, the per capita income for Puerto Rico rose to about a third of what it is in the U.S., 35 percent to be exact. And apparently that was high enough for Puerto Ricans to enjoy a standard of living in Puerto Rico that they found satisfactory.

Now we don't know what the tipping point for Mexico will be, but we do know that Mexico will not have to reach economic parity with the U.S. before they feel comfortable staying in Mexico. We also know demographic trends in Mexico, the cohort of young men who come to the U.S. in search of work, is shrinking because birth rates are declining. And so, I think, the newest projection is that Mexico will have a negative birth rate by something like 2050.

My point is that there is a temptation to exaggerate the permanence of illegal immigration from Mexico. We shouldn't do that. We also know that thanks to NAFTA, the economic growth in Mexico is proceeding apace. Unemployment is falling, which, of course, reduces the incentive for people to come to the U.S. in search of work.

These are economic migrants who respond to incentives. They are sensible migrants who are responding to incentives. You make sure the right incentives are in place, and the market can make this determination of how many can come.

Pedro Caban:

I am a student of Puerto Rican political economy and of that sensitive subject. I will say, though, that Puerto Rico's development model was predicated on a very aggressive state intervention in the market.

Robert Ward:

And I think that is the final word. Join me in thanking Jason, Pedro, and Irene.