

LIBERALS BEWARE: THERE IS A HIGH COST TO “CHEAP” LABOR

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There is a liberal case for controlling illegal immigration that is seldom articulated. As the issue heats up and sides are drawn, both objectivity and civility seem to be in short supply. Armed citizen groups travel to the Border as self-appointed border guards, setting the stage for worrisome and perhaps violent conflict. Defenders of illegal immigrants call any and all concern about this issue “racist,” and attempt to take the issue completely off the table. The wise words directed at another subject by the late John Gardner seem to apply; the issue is “caught between unloving critics and uncritical lovers.”

Dialogue is particularly difficult when addressing issues that deal with, or are claimed to be motivated by, race. In a strange way, this is a compliment to America. The struggle for civil rights, even now not completely resolved, was so overdue, so right for its time, so glorious in its accomplishment, that it required the vast majority of Americans to inoculate themselves against all forms of racism. Unconscious insensitivities that had developed over the 100 years since the Civil War had to be changed or at least made into a faux pas. We all step gingerly around the subject of race, and have even taken innocent words like “niggardly” out of our vocabulary because they might accidentally offend. All revolutions have casualties, and by a large margin the small costs are eclipsed by the large gains in justice. But you can't solve an issue you don't talk about, and a problem ignored just grows worse. It is time for an honest discussion about illegal immigration. Not out of a narrowness of heart to newcomers, but because illegal immigration is hurting U.S. taxpayers and the poorest Americans for the benefit of a few. A coalition of “cheap labor conservatives” and “open border liberals” reinforced by political correctness has kept this debate off the table too long.

It almost seems naïve to start out the argument that we are a nation of laws, and that people should come here legally. This is not a mere formality as some imply, or a tiresome technicality: remember that there are millions of people patiently waiting to come to America, and illegal immigrants skip the line. To continue to tolerate this practice is not only a legal issue; it is morally unfair to those waiting to come legally. The argument should stop there, but it doesn't, so let's look at some of the public policy reasons against the institution of illegal immigration

Economic Impact of Illegal Immigration

Illegal immigration is having a heavy economic, social and demographic impact and it is past time to make a liberal case for controlling illegal immigration. Economic and social justice is the glue that holds liberals together. I first got interested in illegal immigration when a Colorado packing plant fired a group of Hispanic Americans and replaced them with illegal immigrants. A small group of the fired workers came to me, as Governor, to complain. There was little I could do. I called the President of the packing plant who nicely told me to mind my own business and claimed that all his new workers had Green cards, which indeed they had, bought in the underground market along with fake Social Security cards for \$25 apiece. Some time later, INS raided the plant but the workforce evaporated during the raid, to return (or to be replaced by other illegal immigrants) shortly thereafter. The plant continued to employ a largely

monolingual Spanish-speaking workforce until it was bought out and closed 10 years later.

It is easy to see why this underground workforce is attractive to employers. The owner of this particular packing plant essentially told me he was not going to pay his (legal) workers \$16 a hour, plus benefits, when he could hire illegals at \$10 a hour without benefits. This type of reasoning will forever lock the bottom quartile of our American earners into poverty: for how are they ever to obtain a decent wage? Illegal immigrants are generally good hard working people who will quietly accept minimum wage (or below), don't get health care or other benefits, and if they complain they can be easily fired. Even minimum wage is attractive to workers from countries whose standard of living is a fraction of ours.

But that is not to say it is “cheap labor”. It may be “cheap” to those who pay the wages, but for the rest of us it is clearly “subsidized” labor, as we taxpayers pick up the costs of education, health, and other municipal costs imposed by this workforce. These have become a substantial and growing cost as the nature of illegal immigration patterns has changed.

For decades illegal immigrants were single men who would come up from Mexico or Central America, alone, pick crops or perform other low paid physical labor and then go home. They were indeed “cheap labor”. But starting slowly in the 1960s, and steadily increasing to this day, these workers either bring their families or smuggle them into the country later. They become a permanent or semi-permanent population living in the shadows but imposing immense municipal costs. Illegal immigration today isn't “cheap” labor except to the employer. To the rest of us it is “subsidized” labor; where a few get the benefit and the rest of us pay. These costs ought to be obvious to all, but the myth of “cheap labor” and “jobs Americans won't do” persists. But let us examine it in more detail.

It is hard to get an exact profile of the people who live in the underground economy, but studies do show the average illegal immigrant family is larger than the average American family. It costs Colorado taxpayers over \$10,492 a child just to educate a child in our public schools (closer to \$12,000 per child per-year for non-English-speakers). Realistically no minimum wage workers, or even low waged workers pay anywhere near enough taxes to pay for even one child in school. Even if they were paying all Federal and State taxes, Colorado has an estimated 82,110 children with an illegal immigrant mother in Colorado schools (out of an estimated Colorado population of 220,000 illegal immigrants) who impose gargantuan costs on our taxpayers. Let us estimate that at least 32,000 of these children came here illegally so we won't get into the argument that a child born in the U.S. is automatically a U.S. citizen. (I claim that the 14th Amendment never required this result.) So \$10,000 annual cost to educate a child in Colorado times 32,000 illegal immigrant children, and we get an estimated \$320 million just in educational expense and \$820 million (the real educational cost of illegal immigration) if we count all children of illegal immigrants, born here or not. (An estimated 79,955 Colorado children have illegal immigrant mothers)

We have here in Colorado, and increasingly nationwide, single family houses with three or more families of illegal immigrants earning, at the most, between \$15,000 and \$25,000 per family, but with multiple kids in the school system costing our taxpayers more in education costs alone than all three families gross in wages. Studies show that approximately two-thirds of illegal

immigrants lack a high school diploma. The National Academy of Sciences has found that there is a significant fiscal drain on U.S. taxpayers for each adult immigrant (legal or illegal) without a high school education. But don't get caught up in the battle of studies: just use your common sense and thoughtfully consider whether a low income family with three or four kids in the school system is paying anything close to what it costs to educate their kids. These are expensive families to provide with governmental services. Some employers are getting cheap labor and externalizing the costs of that labor to the rest of us.

Americans pay in more ways than taxes. Cheap labor drives down wages as low income Americans are forced to compete against these admittedly hard working people. Even employers, who don't want to wink at false documents, are forced to lower wages just to be competitive. It is, in many ways, a "race to the bottom" fueled by poor people often recruited from evermore-distant countries by middlemen who profit handsomely. It isn't only wages; the employers of this abused form of labor often violate minimum wage requirements, Occupational Safety and Health Administration standards, and overtime laws. Further, if injured, illegal workers often have no access to Workmen's Compensation.

The Americans who pay the price are those at the bottom of the economic ladder who directly compete with this illegal workforce. The very people that liberals profess to speak for and care about pay the price in lost and suppressed wages while employers get the benefits of reduced wages. Professor George Borjas of Harvard, an immigrant himself, estimates that American workers lose \$190 billion annually in depressed wages caused by the constant flooding of the labor market from newcomers.

The dilemma is compounded by the fact that approximately 40 percent of illegal workers are paid in cash, off books. Go to any construction site, almost anywhere in America, and you will find illegal workers who are paid cash wages with no taxes withheld. Equally important, those illegal workers whose employers do pay withholding taxes have learned to claim 12 or more dependents, so their withholding taxes are either non-existent or minimal. Virtually every city in America has an area where illegal immigrant workers gather and people come by to get "cheap" cash wage labor. High costs, low taxes, downward pressure on wages, this is not cheap labor; this is the most expensive labor a community could ever imagine.

Supply Side Poverty

Consequently, we have a group of workers who pay no, or reduced withholding taxes, with above average birthrate (thus above average impact on schools), impacting our school system, with more, and more arriving every year. It is Orwellian to call this "cheap labor." It is "supply side" poverty added to our society so a few employers can get "cheap labor." It is happening nationwide. Mortimer B. Zuckerman, Editor in Chief of U.S. News and World Report, speaking of U.S. poverty asks:

"So why haven't overall poverty rates declined further? In a word -- immigration. Many of those who come to the United States are not only poor but also unskilled. Hispanics account for much of the increase in poverty -- no surprise, since 25 percent of poor people are Hispanic. Since 1989, Hispanics represent nearly three quarters of all increase in overall poverty population.

Immigration has also helped keep the median income for the country basically flat for five straight years, the longest stretch of income stagnation on record.” (10/3/05)

Nationwide people and organizations are starting to object. The Atlanta Business Chronicle wrote that “Georgia taxpayers spend \$231 million a year to educate illegal alien children” while “public schools (are) facing some of the most significant decreases in state education funding in decades, communities' tax dollars are being diverted to accommodate mass illegal immigration.” How can the American educational system improve when it is impacted, year after year, by this source of “supply side poverty?”

Health Care Impact

The health care cost of this illegal workforce is also significant and also subsidized by U.S. taxpayers. You can go to virtually any emergency room in Colorado and you will hear Spanish as the predominant language. “Colorado has one of the highest rates of new mothers who speak little or no English” (RMN 10/13/05). Over eighty percent of the births in Denver Health and Hospitals are to monolingual Spanish speaking women. Increasingly we are seeing elderly grandparents with health problems present in emergency rooms as extended families consolidate. No, we don't know for sure that they are illegal, because it is against Federal law to check, but it is safe to assume that most are. Denver Health alone estimates that they spend one million taxpayer dollars just in interpreting for non-English speakers. What would the total taxpayer cost of interpreting be statewide, and that is just a fraction of the total health care costs? The cumulative cost of this “subsidized” labor is impossible to ascertain and difficult to even estimate, but it is immense and growing as our population of these workers grows. A few benefit, the rest of us pay.

It is technically illegal for illegal immigrants to claim Medicaid, but as Health and Human Services Inspector General found, “Forty-seven states allow self-declaration of U.S. citizenship for Medicaid” and over half of those do not verify the accuracy of these claims as part of their post-eligibility quality control activities.” The barn doors are wide open! Families without a word of English boldly declare themselves U.S. citizens and nobody checks! When states don't use the tools available to them, it is more the states' fault than those abusing the system.

Many of my liberal friends like to think of themselves as “citizens of the world” who dislike borders, and indeed we all realize we live in a more interdependent, interconnected world. But “to govern is to choose” and if everyone is my brother and sister than nobody will ever get covered by Social programs liberals compassionately seek. I have been fighting all my life for universal health care, but we can't have “the best health care system in the world” combined with Swiss cheese borders. Social and redistributive programs require borders. It is fine to think of yourself as a citizen of the world, but we solve most problems in a national context and therefore we owe a greater moral duty to our fellow Americans than we do to non-citizens. Liberals must defend borders or they will lose all the social programs that they care about! No social program can survive without geographic limits and defined beneficiaries.

We often hear that 46 million Americans are without health insurance, but this figure is likely overestimated, because it includes over 10 million illegal immigrants. Most of the estimated 12

to 15 million people living illegally in America do not have health insurance. More and more hospitals are going broke because of the constant stream of uninsured, particularly in our border states. The Census Bureau estimates that 11.6 million people in immigrant households are without health insurance. Not all immigrants are illegal; nevertheless, our experience here in Colorado indicates a substantial majority is not legally in the country. The problem is much like when the gods condemned Sisyphus to ceaselessly rolling a rock to the top of a mountain, and the stone would fall back of its own weight. It is not unlike when you expand education funding or Medicaid and give extra state aid to impacted hospitals, but the problems grow faster than the solution. We use the State Children's Health Insurance Program (SCHIP) to cover uninsured children, but a new flood of immigrant children without health insurance quickly overcomes our gains. The Center for Immigration Studies has estimated that for a recent five-year period, immigrants and their children accounted for 59 percent (2.7 million people) of the growth of the uninsured.

Ironically, the price of compassion is restriction. The only way we can help America's poor is to develop programs which are not constantly diluted by the rest of the world's 6 billion, no matter how sympathetic.

Illegal Immigration and the Environment

The environmental community stands mute on the subject of illegal immigration. I was President in the late 1960s of the First National Congress on Population and The Environment, and later of Zero Population Growth (currently known as Population Connection). It was taken for granted at the time that the size of both world population and U.S. population was an environmental issue. We had a formula $I=PAT$ that approached dogma at the time: Impact equals population times affluence times technology. Total environmental impact can be gauged by looking at the average individual impact on the environment (compounded or mitigated by technology) multiplied by the number of people. There was little argument among environmentalists or even civic leaders on this point. Yet the President's Commission on Population Growth and the America Future (1970) found:

“We have looked for, and have not found, any continuing economic argument for continued population growth. The health of our country does not depend on it, nor does the vitality of business, nor the welfare of the average person.”

Today no major environmental group will take on the issue of immigration, legal or illegal. The fear of charges of racism silence the environmental community as the American population grows toward a half a billion consumers by mid-century. I fear history will show that the U.S. environmental movement, silenced by political correctness, is committing public policy malpractice by avoiding this issue.

Impact on our Social Fabric

Illegal immigration is having a heavy impact on our social fabric. A vast majority of illegal immigrants are from Spanish speaking countries. The sheer numbers are retarding assimilation as large ethnic ghettos develop and a de facto apartheid is forming. It is important to America's

future that we look at how our Hispanic immigrants are doing. Too many of our Hispanic immigrants live in ethnic ghettos, too many are unskilled laborers, too many are uneducated, too many live in poverty, too many are exploited, too many haven't finished 9th grade, too many drop out of school.

The Center for Immigration Studies issued a report last year, which found nationwide: "Almost two-thirds of adult Mexican immigrants have not completed high school, compared to fewer than one in ten natives not completing high school. Mexican immigrants now account for 22 percent of all high school dropouts in the labor force." But what is most disturbing is that second and third generations don't do much better. Again, the study from The Center for Immigration Studies: "The lower educational attainment of Mexican immigrants appears to persist across the generations. The high school dropout rates of native-born Mexican-Americans (both second and third generation) are two and a half times that of other natives." It found that Mexican immigrants and their young children comprise 4.2 percent of the nation's total population, yet they comprise 10.2 percent of all persons in poverty. They also comprise 12.5 percent of those without health insurance and their use of welfare is twice that of Native Americans.

Robert J. Samuelson writing in the Washington Post states:

"Our interest lies in less immigration from Mexico, while Mexico's interest lies in more. The United States has long been an economic safety valve for Mexico: a source of jobs for its poor. By World Bank estimates, perhaps 40 percent of Mexico's 100 million people have incomes of less than \$2 a day. The same desperate forces that drive people north mean that once they get here they face long odds in joining the American economic and social mainstream... Surely we don't need more poor and unskilled workers, and Mexican immigrants fall largely into this category. The stakes here transcend economics." (July 20, 2000)

More and more liberal columnists are, belatedly, recognizing what illegal immigration costs our American poor. New York Time's Paul Krugman wants to "reduce the in-flow of low-skilled immigrants" and denounces the guest worker plan as "deeply un-American." Washington Post columnist Robert Samuelson opined that guest worker programs were "importing poverty."

The question has to be asked: "By tolerating illegal immigration are we laying the foundations for a new Hispanic underclass? A Hispanic Quebec?" The mere phrase makes liberals cringe. Frankly, it makes me cringe, but immigration is building the new future of America. Are we not building up a large, unintegrated, unassimilated underclass similar to what France is suffering from currently? Is this not a harbinger of social unrest in our own society? We owe it to our children to have a candid dialogue.

Conclusion

Illegal aliens are, as is pointed out endlessly, "good hard working people who just want the American dream." But that can't be the end of the argument. The trouble with that level of analysis is that there are over four billion "good hard working people" in the world living below the American poverty level, most of who would love to come to the U.S. Obviously we can't take them all. We already have ten-percent of Mexico living here, and a recent poll showed that forty-

six percent of all adults in Mexico want to move to the U.S. Then there is Central America. South America. Bangladesh? China? The pool of poor people is bottomless. Yet, we are a nation of laws, with our own unemployed and underemployed, our own kids to educate, and our nation needs to come to some enforceable consensus on what our policy should be on people entering the country illegally.

I have not mentioned what is perhaps the biggest reason to get control over our borders: terrorism. It isn't that I forgot, it is just that all Americans are concerned about terrorism and I seek here to make uniquely liberal arguments. I sense a backlash against illegal immigration that risks many/most of our most important social programs. Polls show that over 70 percent of Americans object to illegal immigration, and we run a serious risk of a backlash against all immigrants if we don't reach some consensus on this issue. Polls also show that there is no issue in America where there is a bigger gap between public opinion and opinions of the media and other "elites." But many of us are against illegal immigration because we do take social justice seriously. The late Congresswoman Barbara Jordan, one of my liberal heroes, was a consistent foe of illegal immigration. In testimony to the House Immigration Subcommittee, February 24, 1995 she stated:

"Credibility in immigration policy can be summed up in one sentence: Those who should get in, get in; those who should be kept out, are kept out; and those who should not be here will be required to leave." "...for the system to be credible, people actually have to be deported at the end of the process."

Similarly Cesar Chavez strongly objected to illegal immigration. Testifying before Congress in 1979 he bitterly pointed out:

"...when the farm workers strike and their strike is successful, the employers go to Mexico and have unlimited, unrestricted use of illegal alien strikebreakers to break the strike. And, for over 30 years, the Immigration and Naturalization Service has looked the other way and assisted in the strikebreaking. I do not remember one single instance in 30 years where the Immigration service has removed strikebreakers.....The employers use professional smugglers to recruit and transport human contraband across the Mexican border for the specific act of strikebreaking..."

Barbara Jordan and Cesar Chavez were liberals who understood that immigrants must be legal and that the law needed to be enforced for the sake of our own poor and our own social fabric. But reasoned dialogue in America is rare these days and issues of immense importance to America's future are not being discussed or even debated. The question of illegal immigration is high on that list.

End

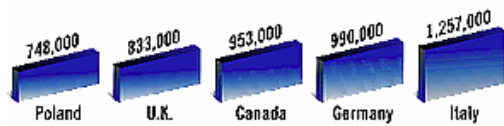
* Some argue that illegals contribute to our economy through their spending. In fact, because illegals' salaries are low, they have little to spend. In addition, while American-born workers spend most or all of their earnings here in the US, creating more jobs and in turn, more tax

revenues, illegals send much of their earnings back to relatives in their native country. For example, according to a study by the Pew Hispanic Center and Inter-American Development Bank, Latino immigrants in 2002, despite the soft economy, sent a record \$23 billion to relatives and others in their home countries.

From Diversity to Dominance Foreign-Born Population Living in the United States

1960

In 1960, the foreign-born population in the United States (from the five principal countries of origin) was relatively diverse:



2000

In 2000, the foreign-born population from the top five countries was distributed very differently:



Source: Campbell J. Gibson and Emily Lennon's "Historical Census Statistics on the Foreign-Born Population of the United States 1850-1990" (Population Division Working Paper No. 29, U.S. Census Bureau, February 1999); and "Profile of the Foreign-Born Population in the United States: 2000" (Washington: U.S. Census Bureau, Current Population Reports, Series p23-206, 2001).