

THE DEMOGRAPHIC AND ECONOMIC IMPLICATIONS OF LARGER IMMIGRATION

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THE purely demographic implications of immigration are not difficult to state with fair assurance, provided a few simple assumptions are made regarding the numbers and the types of immigrants. In calculations of the prospective population of the United States made by the Scripps Foundation, it was found that a net immigration of approximately 100,000 annually between 1945 and 1970 would add about 3 million persons to our population at the latter date. This number would vary somewhat depending on the birth rates and death rates assumed, but for our thinking here the round number is sufficient. Hence, assuming that present quotas, amounting to approximately 153,000, were filled each year, and that there were no nonquota immigrants, the total increase in our population through immigration by 1970 would be somewhat over 4.5 millions. The assumption in these calculations most likely to throw them off is that the birth rate of the immigrants will remain somewhat above that of the natives during this time, although steadily and gradually approaching the latter. To the writer, this seems a reasonable assumption. Others may hold a different view.

The general trends of birth rates and death rates in our present population which are assumed in these calculations are no longer questioned although there is quite naturally some difference of opinion as to the exact course this trend will follow over the next two or three decades in spite of, perhaps because of, the higher crude birth rates which have prevailed since about 1941. If these higher birth rates should continue for some years they would, of course, result in a more rapid growth in both our native and immigrant populations than that shown by these calculations. My own opinion is that this is unlikely to happen. Moreover, if substantial dif-

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ferences in age-specific death rates from those now prevailing were to develop, they would affect the age composition of the population even though they probably would not greatly affect total numbers. As an example of such a change one may cite the relatively high death rates of young male adults in France, which do reduce the labor and military force of the French nation as compared with Great Britain and other European countries.

It seems clear from what has been said that we can, in spite of certain practical difficulties, foresee the quantitative effects of a given amount of immigration within useful limits. If the filling of our present quotas would increase our total population by around 4.5 millions by 1970, the effect of any multiple or fraction of this number on our growth can be readily calculated. Any significant variations from this simple calculation would probably arise from changes in the types of our immigrants and would result largely from changes which would affect the birth rate rather than the death rate. It will be well, therefore, to examine briefly the possible character of these changes in types of immigrants.

In the past, a large part of our immigrants have come from the peasants in countries where their birth rate was relatively high. The most important urban group of immigrants was the Jewish group which came from the poorer city populations in countries where the birth rate of this class was also high. For these reasons the birth rate of our foreign born, even those from cities, has generally been higher than that for the natives as a whole, although no higher than in some of our own rural areas. If there should be a marked change in the source of our immigrants so that they came from lower birth rate groups, their rate of growth from excess of births over deaths would be lowered. Thus, if the ruin of European cities and the persecution of the Jews should result in a significant increase in the proportion of urban people from western and central Europe among our immigrants, one would expect them to have a lower birth rate than our earlier immigrants, and quite possibly lower

than the average of the countries from which they would come. They might even have a lower birth rate than our native urban population, although this is not probable. If such a change in the source of our immigrants should take place, the entrance of about 153,000 annually between now and 1970 would probably not result in as large an increase as calculated. The difference, however, would be unlikely to amount to more than a few hundreds of thousands. On the other hand, the predominance of peasants from southern and southeastern Europe in our immigration would probably raise the number they would add to our population somewhat above the figures given.

Again, if the number of immigrants should be two or three times as large as present quotas, it is reasonably certain that they will form rather solid colonies in our cities and will retain their higher birth rates longer than if they are but few in numbers and are scattered more evenly through the present population of the cities. Thus the immigration policy we follow will in large measure determine not only the number of immigrants admitted, but the size of their families and hence their total addition to our population over the next generation.

The probable effects of a fairly large amount of immigration on the composition of our population are also relatively easy to state in general terms. It is probable that young people will continue to predominate and that the number of males will considerably exceed that of females. A fairly large immigration, let us say two or three times present quotas, would, therefore, tend to retard somewhat the rather rapid aging of our population and would also tend to maintain our present excess of males or possibly to increase it. The sudden and rather complete stoppage of immigration such as we experienced during World War I, the restriction of numbers after the first quota law, and the almost complete stoppage during the depression of the 1930's are important factors in the rather rapid age and sex changes which have taken place since 1930, although the decline in the birth rates and the increase in the expectation of life are probably more important. The mere fulfillment of our

present quotas will hardly have a significant effect on our future age and sex composition.

Under our present law the great majority of quota immigrants must come from northern, western, and central Europe. (There is no quota restriction on immigrants from countries in the Western Hemisphere.) These European sources of immigration have long been drying up, largely because the populations in these regions are rapidly approaching a stationary condition, and also because these countries, too, have been changing rapidly in industrial structure. Whether the destruction wrought by the war over much of Europe will start a new stream of migration from these areas no one can tell. It is my personal opinion that, while there might be enough people from western European countries to fill their quotas for a few years, the majority of persons in any large immigration, *i.e.*, in an immigration amounting to two or three times the total of present quotas and continuing for two or three decades, must come from the peasant peoples of southern and southeastern Europe.

As a practical matter, therefore, it seems to me useless to talk of larger immigration unless we are ready to abandon the present basis for calculating quotas. If we want immigrants, or if we feel it a duty to take the displaced and distressed peoples of Europe, we must admit much larger proportions of Jews and of Slavs and Italians from southern and southeastern Europe than is possible at present. It is doubtful at the moment, of course, whether the Balkans and Poland, which were sending us large numbers of immigrants from about 1900 until the adoption of the present quotas, will allow much emigration in the near future, and the total number of Jews outside of the Soviet Union has been reduced to perhaps one-eighth or one-tenth of their pre-war numbers. The admission of all the Jews now living in Europe, outside the Soviet Union, probably would not fill our present quotas for more than a few years.

It would seem likely, however, that once the immediate stunning effects of the war are past a large number of Germans

might want to migrate. Whether we will admit any considerable number of them in the near future seems highly doubtful, but this attitude may change after a time, so that not only present German quotas but increased quotas will be allowed. It would appear, then, that only southern and southeastern Europe have rather large and prolific peasant populations from which we could expect any considerable number of immigrants from that continent, year after year, beginning in the near future. If this is the case it follows that any considerable European immigration during the next twenty-five years is bound to produce significant changes in the national origins of our population. The peoples who came to us before 1900 are no longer "swarming" and we cannot yet be certain that the war has so changed their conditions of life that we can secure any large number of them unless we adopt a definite policy of encouragement quite different from anything we have done in the past and unless this meets no obstacle in their home lands. Our choice as regards European immigration seems to me to lie between a mere trickle from northern, western, and central Europe or a larger number, how large cannot now be foreseen, from southern and southeastern Europe.

If we should have any considerable number of immigrants in the near future, I see no reason to believe that they will be distributed in this country much differently from those that entered after about 1900. We have as yet shown no recognition of a need to change our present pattern of population distribution and immigrants would of necessity fit themselves to this pattern. This means that they will continue to concentrate in our larger cities in the Northeast and along the Great Lakes, thus adding to the concentration of population in the areas already most densely settled. Only a very determined effort at planned distribution could prevent this. Whether this distribution is considered satisfactory will depend almost entirely upon the values one attaches to different modes of living and, at the moment, on his judgment of the seriousness of the atomic threat to our present urban civilization.

If we assume that future immigrants will live in our larger cities, we can also predict with fair accuracy the parts of these cities in which they will settle. As in the past they will constitute a considerable proportion of the lowest income group and will live largely in the "blighted" areas, for some years, at least. Their families will be raised in neighborhoods which are now known as the breeding spots of dependency, delinquency, and poor health. Moreover, their families will be above the average size for the city so that an undue proportion of the children of these cities will come from sub-standard areas and will have, at the best, very poor training for responsible citizenship. Only carefully planned settlement will change these conditions and give the children of immigrants a fair opportunity to develop normally.

THE ECONOMIC IMPLICATIONS

The economic effects of a large amount of immigration have always been matters of keen dispute. There has never been even a semblance of agreement among students regarding the effects of large numbers of immigrants on wages, on the ability of labor to organize, on the rate of expansion of our industry, or on the attainment of an economic optimum population, to mention only a few of the more important problems. As long as a large proportion of our immigration went to the rural areas and became farmers, many of them taking homesteads of their own, there was comparatively little objection to them from the standpoint of their influence on our economy or on our social development. However, when they began to settle in the cities in large numbers and came into direct competition with the natives, antagonism grew rapidly and many people, particularly the city workers, began to feel that large numbers of immigrants had an adverse effect on wages, on labor solidarity, on the establishment of minimum standards of safety in work, etc., as well as upon the social standards approved by the natives. Our quota laws seem to me to prove the growth of these attitudes towards immigrants.

But these attitudes towards immigrants are by no means of recent origin. More than a century ago the settlement of rather large numbers of certain groups of immigrants in our eastern cities caused urban workmen to begin to ask whether keeping the United States "a haven of refuge for the oppressed of all lands" was not reducing their own levels of living. "Know-nothingism" represented one of these early reactions against the "foreigner" in our midst. In the opinion of the writer this "anti-foreign" attitude, which has frequently cropped up ever since our immigration became relatively large in the 1820's, had its origin chiefly in the belief that the economic position of the native worker was worsened by the presence of a large number of foreigners who were willing to take relatively low wages and who lived at a low level on the "other side of the tracks."

Although I have never been convinced that the presence of large numbers of immigrants lowered the wages of the native worker, or even kept wages from rising as fast as they otherwise would have risen, there is no doubt whatever that this belief has long been widely held and that it has had a very considerable influence in determining the attitudes of a large part of our people towards immigrants; nor is there much doubt that it will again become an important factor in determining policy if the increase and change of quotas comes up for serious consideration. This belief in the economic disadvantages of immigration also aggravated the problems of social and economic adjustment which all foreigners have to face in a strange land.

However, as long as our economy was expanding rapidly, and particularly as long as there was a relative abundance of new land, it was only at times of depression that the native and the immigrant of "older" stock came into irritating competition with the new immigrant. During most of the century 1820-1920 the native in the city was able to find a more desirable job at better pay when the immigrant crowded him in his job. Largely because of his greater familiarity with the

opportunities for advancement which were continually opening up, and because of his superior training he was able to move up the economic ladder. In the opening up of new land the native also had the advantage in that he "knew the ropes" better than the immigrant. Moreover, in the rural community the effects of competition between immigrant and native were not so readily discernible; or, perhaps one should say, it was less easy to assume a simple causal connection between immigrants and low wages for the native.

In periods of depression, on the other hand, when wages fell and when unemployment was high it was naturally assumed by the native that if it were not for the foreigner he would be better off even though it could never be proved that the proportion of unemployed natives was significantly affected by the presence of large numbers of immigrants.

I see no way in which we can determine with any assurance what have been the effects of large numbers of immigrants on the wages and incomes of the natives. But, as a social scientist, I am suspicious of explanations which find a simple direct causal connection between such a complex situation as is created by a large immigration and the incomes of native workmen. In social situations causal relations are not generally so simple. I am hesitant to believe that the income of the native worker has, on the whole, been adversely affected by the presence of large numbers of immigrants. I find it no more difficult to believe that the presence of some millions of immigrants in our population during the last century has hastened our urban and industrial development and has thus been a factor of importance in increasing the rate of expansion as well as the efficiency of our economy. It seems to me that it is not fantastic to argue that if there had been no poorly-paid substratum of "foreigners" to crowd them out of the heavy and dirty jobs at the bottom the natives would not have got ahead as fast as they did. Of course, such a thesis can never be proved by the facts available but personally I find no more difficulty in believing this than in believing that the presence of large numbers

of immigrants has always been detrimental to the economic interests of the native or of the nation as a whole.

Still another point which deserves consideration in connection with the effect of large numbers of immigrants on the incomes of natives is that the immigrants have contributed substantially to the relatively high rate of increase of our population in the past. The rapid growth of our population, when considered in relation to our large natural resources, has almost certainly been a contributing factor of some importance in keeping our entire economy expanding at a rapid rate and in stimulating our ingenuity to more efficient production. I am not saying that this rapid growth of population was *the* major factor in creating our dynamic economic system, but I am asking whether the huge growth of home markets in a rapidly growing population was not a strong stimulant to increasing efficiency in our economic system through the development of the mass-production industries. I know that no satisfactory answer can be given such a question, but as long as there is a reasonable probability that a rapidly growing population was a significant economic stimulant, the role of the immigrant in increasing our population should not be ignored when considering the effect of immigration on the incomes of natives.

A second point mentioned above dealt with the effect of a large number of immigrants on the ability of labor to organize. On this point there seems to me little reason to doubt that the organization of labor in this country has been retarded and perhaps given a somewhat different direction by the presence of large groups of immigrants. The differences in language, in levels of living, in religion, and in amenability to authority, as well as the partial segregation of different nationalities in different parts of the community, interposed many obstacles to unionization which would not have been as serious in a more homogeneous population. This is especially true when, as was the case and as probably would be in the future if we had any considerable number of immigrants of different nationalities, the immigrants bring with them many Old World prejudices

and hatreds. That Serbs and Croats would be suspicious of overtures from Hungarians and Austrian-Germans regarding organizing a union in a steel mill is not in the least surprising. The former had been oppressed by the latter in Europe, and it was not to be expected that mere movement to America would eradicate these suspicions and old hatreds. In a hundred ways the attitudes of immigrants towards cooperation in labor organizations with their fellow workers, both foreign and native, were colored by their European backgrounds and prejudices which thus exercised a retarding effect on the organization of labor in the mass-production industries and in the unskilled occupations in which most immigrants found their first jobs. I would not for a moment argue that this was the only retarding factor making labor organization more difficult in this country than in England, for example. I would not even argue that it was the principal factor, but only that it was important and should not be overlooked in trying to evaluate the influence of immigration on the labor movement in the past and its probable effects in the future if we should again have a larger immigration.

Another possible effect of a large number of immigrant workers on our economy relates to the rate of accumulation of capital made possible by their relatively low wages. Certainly, before World War I, we were always in need of more capital as shown by our foreign borrowings at relatively high interest rates. If the low wages of immigrants made possible the more rapid accumulation of capital in the hands of "the captains of industry" than would otherwise have taken place, it would at least be open to question whether this had not been a significant factor in the rapid expansion of industry and commerce referred to above and, therefore, in raising the general level of living at the extremely rapid pace which has prevailed for some decades. But, of course, even if this has been the case in the past, it by no means follows that it will be in the future. We now seem to have an abundance, perhaps a superabundance, of domestic capital.

On the other hand, it is a commonly accepted doctrine that the cheaper labor is, the less incentive there is to invest large amounts of capital in new and more efficient machines which will increase the productive capacity of labor. This is probably true as a general principle where competition with other business units is not too keen. But I have often wondered whether there is not some confusion in discussions as to what constitutes cheap labor. Labor might be thought of as cheap when the hourly wage is low as was often the case with immigrants. However, it is only really cheap when the cost per unit of product is low. When all employers have access to a labor supply at about the same hourly rates it would seem that active competition would lead them to adopt new and better machinery wherever it would reduce the cost of production, no matter what the hourly wage rate may be. The rapid accumulation of capital in the hands of competitive enterprisers may, therefore, have been an important factor in increasing the efficiency of our industry and in so far as the immigrant contributed to this rapid accumulation by accepting relatively low wages he may have hastened the rise in our general level of living. Certainly the United States cannot be said to have lagged in the use of more and better machinery even though we have had a relative abundance of immigrant labor most of the time for the last century.

Another point of much interest in the economics of immigration is the effect of immigration on the economic optimum population. As a basis for what little I wish to say here on this matter, I shall assume that there is such an optimum. At any given moment the economic optimum population depends upon the natural resources available, the state of scientific achievement, the level of technological development, the training of the workers, and the current pattern of business organization. Personally, I have never found any one who claimed to know what the economic optimum population was for any country or area, although many people are convinced that particular countries have reached or passed this optimum. But if the idea

of an economic optimum population is sound, it seems clear that if the United States, to make the matter concrete, has passed the economic optimum, the factors which helped to produce this situation and those which might encourage still further growth of population have retarded and would continue to retard the rise of our level of living. The line of argument supporting this conclusion is to the effect that in order to provide for the excess of population above the economic optimum, poorer land must be cropped than would otherwise be necessary, lower grade and less accessible ores must be mined, more elaborate transportation facilities must be set up for the interchange of products, both domestic and foreign, which would not otherwise be used and exchanged, and a more complicated and costly economic structure must be operated in order to provide jobs for this excess of population, none of which would be needed if we had only the economic optimum. If, therefore, the United States has already passed this economic optimum, further immigration by raising the uneconomic excess of population still higher will continue to retard the rise of the level of living. In these circumstances it seems only economic common sense to regard as undesirable any growth of population beyond the economic optimum.

In judging of the probable economic effects of immigration by reason of its effects on the economic optimum population, I find myself at variance with many people who discuss it on two points: (a) as to whether the United States has already passed the economic optimum; and (b) as to the probable rate at which any increase in population above the economic optimum will reduce the level of living below what it would be at the optimum.

It must be recognized that any statement made here is purely theoretical because there are no facts showing what the economic optimum population would be under any given set of conditions as regards resources, scientific achievement, technological development, or the organization of the economic system. When we come to consider (a) *viz.*, whether we have

already passed the economic optimum for the population of the United States, I find myself disposed to place this economic optimum higher than most students of the problem. I think it likely that the lower level of productivity in the extractive industries—chiefly agriculture and mining—resulting from the exploitation of lower-grade resources, made necessary because we have 140 million people rather than only 75 or 100 million, may be compensated for by the greater efficiency of the mass-production industries which are dependent upon the vast markets which can only be found in a large population, particularly if production is to profit by active competition between large units. I find myself continually asking whether the high and increasing technological efficiency of many parts of our economy is not in part a function of active competition in a large population having a high level of living, granting, of course, the presence of basic natural resources in given amounts and qualities. I recognize that there may be conditions in which a population much smaller than our present population might enjoy all the advantages of a highly efficient industry, but I am very doubtful that it can do so and still keep its economic system competitive. I also recognize that an increase in, or even a given level of, per capita production cannot continue indefinitely with increasing numbers. But in the United States I am inclined to believe that the relatively large size of our population is, in part, a causal factor in creating our high technological efficiency and that one of the most dynamic elements in our economy might be seriously damaged by any rapid reduction of our rate of population growth. The absence of growth or the decline in numbers would be even a more severe blow.

This brings us then to the consideration of point (b), *viz.*, whether the difference in level of living possible with the economic optimum population and with the present and probable future population, is not small in comparison with the reduction in this level that would take place through the disruption of our economy if we undertook to reduce our population to

the economic optimum within a decade or two. I speak of reducing our population to the economic optimum, not because I am convinced we are already above the economic optimum, but because I believe that most of the people who express themselves on this point hold that we are. My personal belief is that the disruption of our economy by even a cessation of growth, to say nothing of an absolute reduction in numbers, which would be necessary to achieve an economic optimum considerably below our present numbers, would lessen our per capita productivity far more than any excess of population above the optimum now does. Hence, I am not as greatly worried by any increase in numbers which is likely to take place through future immigration as many people would be. This is only an opinion; but I hold it because, on balance, I believe that the adjustments to an economic optimum population substantially below our present numbers will be very painful if it is done quickly, and that for a generation or two at least we will all live better if we have a slowly growing population only gradually becoming stationary. Later, when we know better how to manage our economy, we may reduce our numbers to the economic optimum without producing harmful effects if this seems desirable. Since I do not believe that in the United States a given percentage of excess population above the economic optimum will lead to a proportional decline in level of living or that our present excess population, if excess there is, has significantly retarded improvement in our level of living. I am not at all certain that the increase of this excess by the immigration of a few hundred thousand annually will produce significant damage to our economic life in the next few decades.

What I have just said refers only to the United States although it may also apply in certain other countries which find themselves in much the same general economic situation. My attitude would be quite different if I were discussing the economics of immigration in more densely populated countries where natural resources are relatively smaller and where modern technological efficiencies are attained more slowly.

Finally, let me say that I have no expectation that the most reasonable demographic or economic considerations will be decisive in determining our future immigration policies. At best, these considerations will be of secondary importance. The commonly accepted beliefs regarding the economic effects of immigration, the practical considerations of politics, and the evaluation of our position in the world military situation will undoubtedly be decisive in determining our attitudes towards immigration in the future. This is probably inevitable in the present state of our economic education and of our development as citizens of the nation and of the world. Quite possibly it is also just as well from the standpoint of the welfare of mankind. More and more frequently I find myself asking: Is it more *reasonable* in the long run to follow the dictates of economic facts, when we can find them, or to make the compromises which political facts indicate to be essential if our relations with our fellow men both within and without the nation are to be moderately satisfying and peaceful? I have not answered this question to my own satisfaction, but I am less confident that I know the values by which what is *reasonable* should be determined than I was some years ago.